

# ANNUAL REPORT 2022/23





NAMIBIAN STANDARDS INSTITUTION

*creating peace of mind*

### INTEGRATED ANNUAL REPORT 2022/2023

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# TABLE OF CONTENTS

	<b>PAGE</b>
<b>1.</b> About The NSI	1
<b>2.</b> Executive Summary	3
<b>3.</b> Governance and Management Structure	5
<b>4.</b> Chairperson's Statement	10
<b>5.</b> Chief Executive Officer's Report	14
<b>6.</b> Governance and Legal Compliance Report	18
<b>7.</b> Internal Audit Report	20
<b>8.</b> Corporate Communications, Marketing and Human Resources Report	23
<b>9.</b> Standards Development and Coordination Report	26
<b>10.</b> Testing and Inspection Report	31
<b>11.</b> Metrology Report	36
<b>12.</b> Certification Report	42
<b>13.</b> Corporate Finance, Asset Management and ICT Report	44
<b>14.</b> Annual Financial Statements	48



# 1

## About The NSI



The Namibian Standards Institution (NSI) serves as the National Standards Body (NSB), National Metrology Institute (NMI), Legal Metrology Authority (LMA) and Certification Body (CB) responsible for coordinating all trade related standardisation and quality assurance activities in the country. The NSI was established in 2007 under the Standards Act (Act No. 18 of 2005) and became operational in January 2008. The NSI's primary aim is to facilitate the development of national standards for application and use in business, government and consumer protection. To assist manufacturers access the local and global market and for consumer protection, the NSI provides conformity assessment services which are testing, inspection, certification and metrology for selected products and services.

## NSI FUNCTIONS

- To facilitate the implementation of the National Quality Policy.
- To develop and promote Namibian Standards and other standards.
- To offer training on relevant standards.
- To provide certification services to industry.
- To provide testing services.
- To perform inspection and certification services for fish and fishery products, canned fish and canned meat products.
- To enforce and administer the Trade Metrology Act, 1973 (Act No. 77 of 1973).
- To participate at regional and international standardisation and conformity assessment forums.



### VISION:

To be a reliable service provider of standards' based solutions that create confidence and improve quality of life.



### MISSION:

Providing standardisation and conformity assessment services to ensure the health and safety of consumers, protection of the environment and promotion of trade.



### BRAND PROMISE:

Creating Peace of Mind



### CORE VALUES:

The organisational values of the NSI are important building blocks to guide employees in fulfilling the business goals.

- Stakeholder Focused
- Responsiveness & Efficiency
- Integrity & Ethics
- Respect for People
- Excellence & Quality
- Accountability & Performance



# 2

## Executive Summary



The Namibian Standards Council (NSC) is the governance structure tasked with the management and performance of the Namibian Standards Institution (NSI) in terms of the Namibian Standards Act, 2005 (Act No.18 of 2005). During the reporting period, new NSC members were inaugurated by the Minister of Industrialisation and Trade, Hon. Lucia lipumbu, on 31 August 2022 to serve for a period of three years under the Chairmanship of Mr. Paul Kalenga.

Additionally, the NSI underwent leadership changes at the executive level with the appointment of Dr. Eino Mvula as Chief Executive Officer and Mr. Mukua Kaune as the Acting Legal Advisor and Company Secretary.

During the reporting period, the NSI continued to face some operational challenges as reported in the 2021/2022 annual report, mainly related to limited financial and human resources that impacted on its performance. Despite these challenges, the NSI has demonstrated resilience and commitment to become self-sufficient, as demonstrated by the Institution's gradual increase in own revenue year-on-year under limited budget through streamlined operations.

To this end, the NSI's own revenue of N\$50.08 million for the year under review exceeded that of 2021/2022 by 7%, while the Government grant of N\$33.68 million, for 2022/2023 increased by 87% from the N\$18 million received in FY 2021/2022. The NSI recorded a profit of N\$10.9 million compared to a loss of N\$16.1 million recorded the previous year, resulting in an improved accumulated loss of N\$59.2 million.

The NSI's staff headcount is currently at 92, of which 80% (74) comprise of science, technology-based professionals who hold at least an undergraduate university qualification. During the reporting period, almost all NSI technical staff participated in numerous training activities and study visits to Standards Bodies, Metrology Agencies and Conformity Assessment Bodies in the European Union (EU) Member States as part of the development cooperation opportunities under the EU-SADC Economic Partnership Agreement (EPA) implementation.

In pursuance of advancing the National Quality Infrastructure and Technical Regulatory Framework, the Institution successfully maintained accreditation of Testing Services to ISO/IEC 17025, Inspection Services to ISO/IEC 17020, Metrology Services to ISO/IEC 17025, and Certification services to ISO/IEC 17021, as well as the publishing of 13 Namibian standards (NAMS).

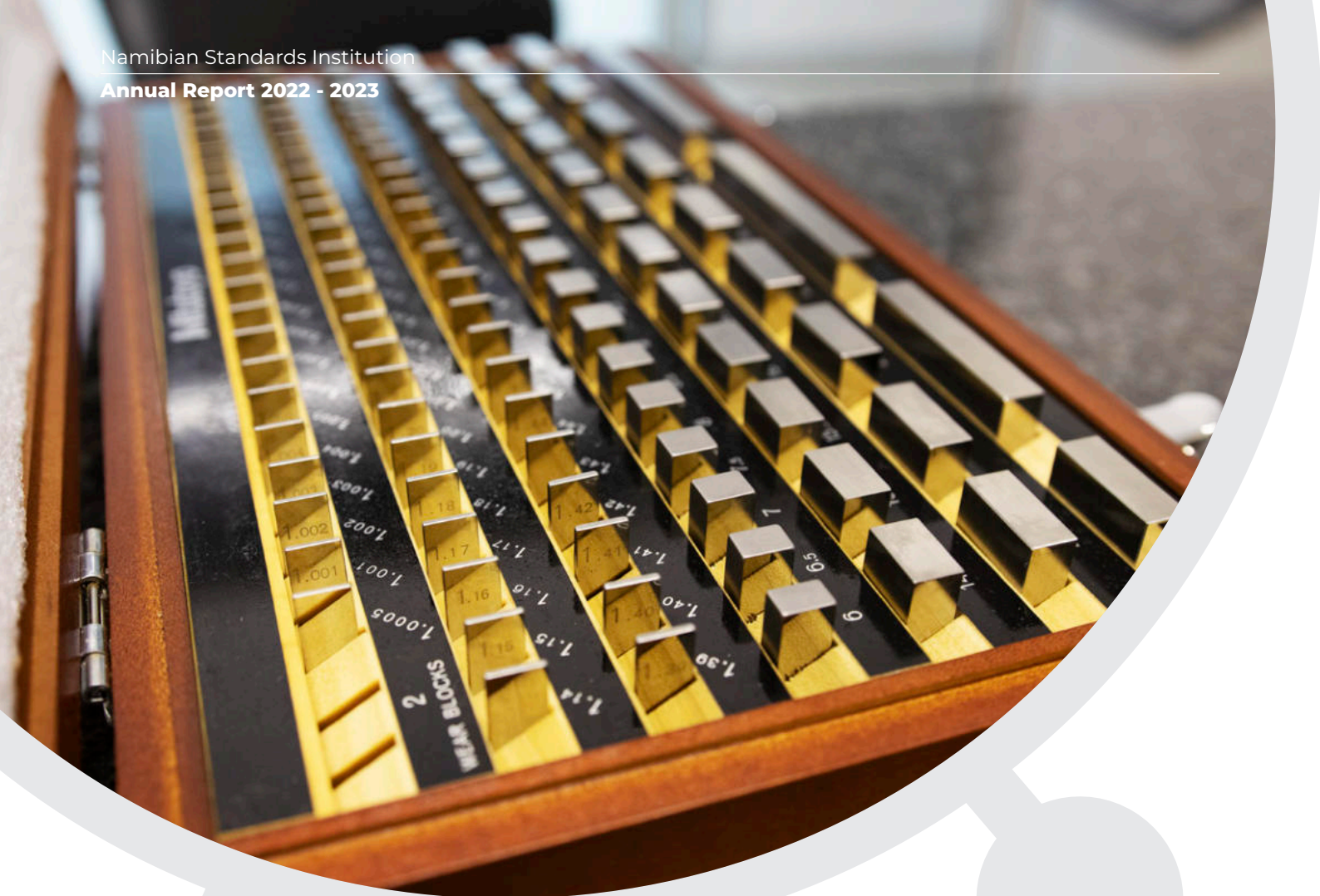
The new NSI Inspection Centre at Walvis Bay was officially opened by Minister lipumbu, on the 16th of July 2022. This milestone marked the NSI's pursuit in enhancing its delegated function as a Competent Authority for fish and fishery products.

The NSI, in collaboration with the Trade Forward Southern Africa, hosted a national stakeholder engagement workshop and training on Good Manufacturing Practices for Emerging Cosmetic Industry, in addition to the industry meetings held at the coastal towns of Lüderitz and Walvis Bay, as well as in Windhoek.

The NSI's commitment to its stakeholders yielded a 90% customer satisfaction rating. In its future endeavours, the Institution will strive to meet or exceed its stakeholders' needs.

In the medium term, the NSI's grand strategy will be anchored on enhancing the Institution's value and financial sustainability within the framework of being the implementation arm of technical regulations in Namibia, therefore unlocking the potential in respect of standardisation, quality assurance and metrology.



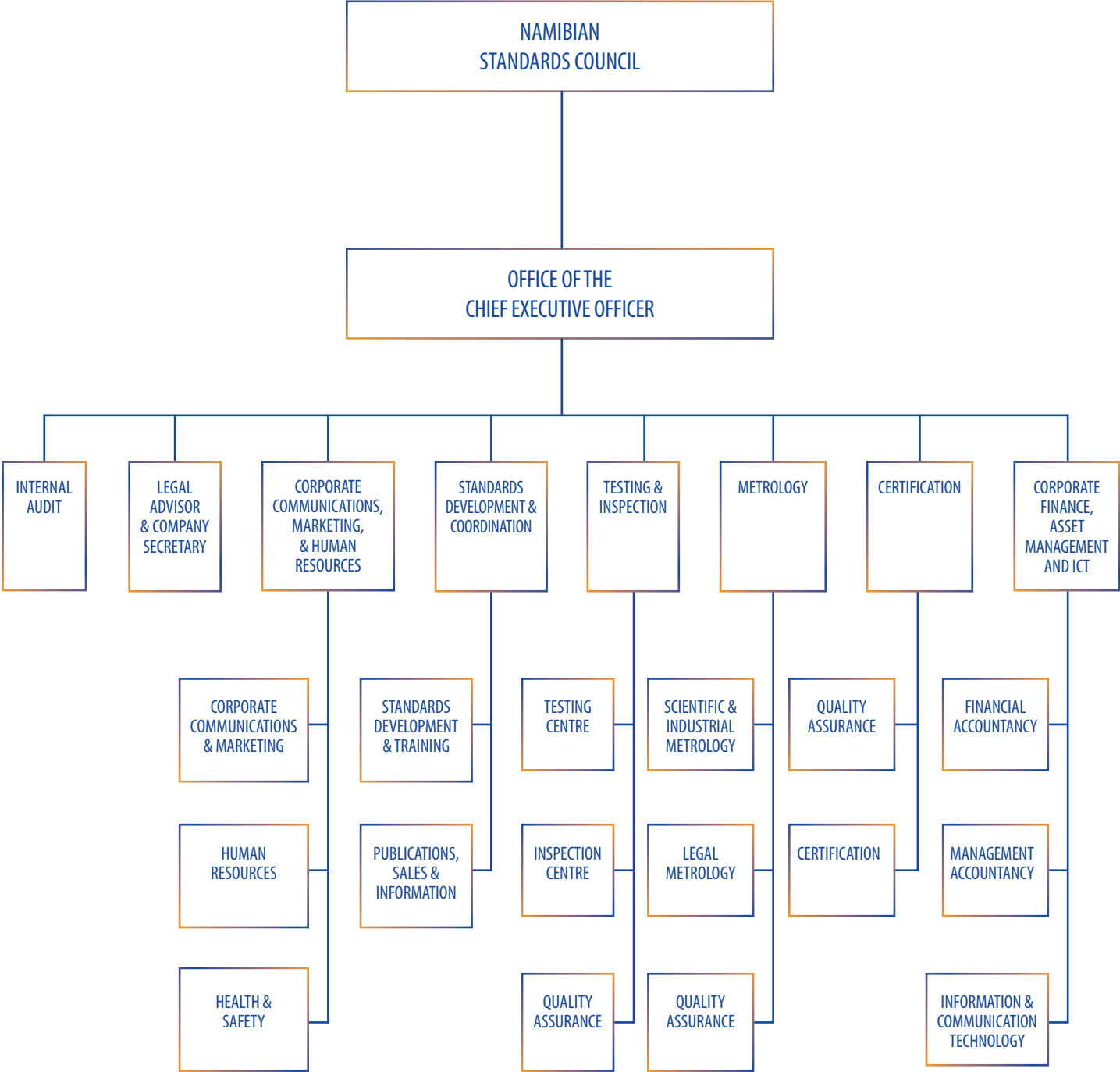


# 3

## Governance and Management Structure



# Organisational Structure



# Namibian Standards Council



**Paul  
Kalenga**

Chairperson



**Matilda  
Jankie-Shakwa**

Vice Chairperson



**Vincent  
Nowaseb**

Member



**Lloyd  
Londt**

Member



**Monica  
Nehemia**

Member



**Thaddeus  
Shigwedha**

Member

# Senior Management



**Eino Mvula**

Chief Executive Officer



**Paloma Ellitson**

General Manager:  
Testing and Inspection



**Josef Alweendo**

Acting Chief Financial Officer



**Etuukata Nashima**

Acting General Manager:  
Certification



**Abena Tambrescu**

General Manager:  
Corporate Communications,  
Marketing & Human Resources



**Mukua Kaune**

Acting Legal Advisor  
and Company Secretary



**Simasiku Matali**

Head: Metrology



**Jekonia Haufiku**

General Manager:  
Standards Development  
& Coordination



**Millicent Kapitako**

Internal Auditor





# 4

## Chairperson's Statement





**Paul Kalenga**  
Chairperson

# Chairperson's Statement

In accordance with Section 19(2) of the Namibian Standards Act, 2005 (Act No.18 of 2005), I am pleased to present the Namibian Standards Institution (NSI) Annual Report and Financial Statements for the financial year ended 31 March 2023, providing an overview of the Institution's key performance during the year under review.

The NSI was established to promote standardisation and quality assurance of goods and services for the safety of consumers, protection of the environment and enhanced access to domestic, regional and global markets.

The new National Standards Council (NSC), responsible for the governance of the NSI, was inaugurated by the Minister of Industrialisation and Trade, Hon. Lucia Lipumbu, to serve from 1 September 2022 to 30 June 2025, particularly tasked to lead the institutional and the legal modernisation of the National Quality Infrastructure and Technical Regulations Framework in Namibia.

During the reporting period, the NSI continued to face some operational challenges reported in the previous years, mainly related to limited financial and human resources that impacted on its performance. With limited resources allocation from the Government, the NSC has continued to reach out to the Government through the line ministry to ensure that funds are made available to keep the NSI's operations going.

NSI has also continued to reach out to key stakeholders to ensure that collaborative efforts are achieved, focused on enhancing the legal instruments at which the NSI operations hinge on as well as partnership with international development cooperating partners. One of the key achievements pertains to the European Union (EU) - funded Twinning Project to the tune of EUR1.6 million to boost the capacity of the NSI to carry out its mandate and increase Namibia's participation in international trade.

NSI remains committed to become progressively more self-sufficient and self-supportive as expounded in its objectives. We are pleased to note that the Institution is gradually managing to increase its own income year on year under a very limited budget through focused activities.

For the next five years, as outlined in the Integrated Strategic Business Plan (ISBP) 2022 – 2027, the NSI's grand strategy will be anchored on enhancing the Institution's value and financial sustainability within the framework of being the implementation arm of technical regulations in Namibia.

I want to thank all the Council members for their continued commitment and support, and also extend our gratitude to the Minister of Industrialisation and Trade, Hon. Lucia Lipumbu, and the entire ministerial technical team, the Minister of Finance and Public Enterprises, Hon. Lipumbu Shiimi, the Chief Executive Officer, Dr. Eino Mvula, the NSI executive team and the entire staff as well as our esteemed stakeholders for their dedication and commitment towards the pursuance of our Mandate, Vision and Mission.



**Paul Kalenga**  
Chairperson

NSI remains committed to become progressively more **self-sufficient** and **self-supportive** as expounded in its objectives

**Paul Kalenga** | Chairperson





# 5

## Chief Executive Officer's Report





**Eino Mvula**  
Chief Executive Officer

# Chief Executive Officer's Report

It is my pleasure to present the NSI's Annual Report for the period 2022/23. This Annual Report serves two purposes namely, the requirements in terms of legislation for the Institution to account for the utilisation of its resources, from financial and human to infrastructure, and the prudent governance of the numerous structures that contribute to achieving its mandate; and, to articulate a story of how we work and what we have to show for our efforts.

The report outlines the Institution's performance for the year under review and highlights the achievements in the implementation of the Annual Business Plan for 2022/23. The 2022/23 Annual Business Plan is anchored on the theme **"Enhancing NSI Value and Financial Sustainability"** and supported by five pillars namely: Financial Sustainability; Operational Capacity & Excellence; Stakeholder Management; Service Delivery; and, Human Capital & Performance Management.

## Financial Sustainability

With regard to financial sustainability, our own income of N\$50.08 million for 2022/23 has exceeded that of 2021/22 by 7%, while the Government grant of N\$33.68 million for 2022/23 has increased by 87% from N\$18 million for 2021/22. It is encouraging that the NSI recorded a profit of N\$11 million for the 2022/23 financial year, which is a significant improvement from the previous year net loss of N\$16.0 million.

As our Annual Financial Statements attest, the NSI's financial position remains challenging as its total liabilities exceeded its assets by N\$59.24 million at the end of the 2022/23 financial year, which is a slight improvement as compared to 2021/22, when the total liabilities exceeded the assets by N\$70.2 million.

## Operational Capacity & Excellence

It is pleasing to note that despite numerous challenges, the NSI remains committed to ensure that its conformity assessment services maintain accreditation and also expands the scope of accredited services. To this end, during the period under review, we successfully maintained accreditation of Testing Services to ISO/IEC 17025, Inspection Services to ISO/IEC 17020, Metrology Services to ISO/IEC 17025, and Certification Services to ISO/IEC 17021. The NSI adopted and published thirteen (13) Namibian Standards (NAMS) during the period under review.

## Stakeholder Management

In conformance with the requirements of the relevant standards for the accreditation of conformity assessment bodies, the NSI carries out customer satisfaction surveys. An average of 90% was achieved against the target of 80%. The NSI, as a major key player in the facilitation of trade in Namibia, has continuously engaged with key stakeholders and during the year under review, the Institution managed to hold its annual industry meetings both in the coastal towns of Lüderitz and Walvis Bay, as well as in Windhoek. Such engagements allow us to provide information to industry related to our services and also to obtain feedback from industry to ensure that we continue to meet and exceed their expectations.

## Service Delivery

The NSI continues to provide the following services, namely: Testing: Foods (including fish and fishery products, agro-products), Hygiene swabs & Water; Certification: Management System and a few products (such as cement), Scientific and Industrial Metrology: Calibration; Legal Metrology: Measuring instrument used for trade (liquid fuel dispenser, weighing scales); and Inspection: Fish and fishery products; and canned meat. While the demand for these services increases, challenges have been experienced due to lack of equipment necessary for the expansion and/or decentralisation of services. Furthermore, the NSI has also offered standards training to various industries focusing on quality, food safety occupational health and safety management systems.

## Human Capital & Performance Management

The NSI's staff headcount is currently at 92, of whom 80% (74) comprise of science, engineering and technology based professionals who hold at least an undergraduate university qualification. Despite financial constraints, the NSI with the support of strategic partners ensures that we invest more in our people through training and development opportunities to enable them to competently execute their functions. During the reporting period, almost all NSI technical staff participated in numerous training activities and study visits to various Standards Bodies, Metrology Agencies and Conformity Assessment Bodies in the European Union (EU) Member States under the German and Swedish jointly implemented EU Twinning project **"Support to the Namibian Standards Institution"** in Namibia.

The NSI has been experiencing staff shortage as only 92 out of 133 positions are filled, representing 69% of filled positions. Given the financial resources constraint, priority will be given to the recruitment of staff in positions that are critical for the NSI's operations, taking its sustainability into consideration.

Given new opportunities that Namibia is unlocking especially in the oil and gas as well as green hydrogen and ammonia sectors, the NSI's unique mandate allows us to support these new sectors but also the existing sectors such as mining, healthcare, chemicals, agriculture and food, manufacturing, built environment, and water, through the development and adoption of standards that meet industries need. In addition, through the provision of regulatory services by administering compulsory standards under the Standards Act No 18 of 2005 and administering legal metrology technical regulation of the new Metrology Act No 5 of 2022 as well as the provision of other voluntary conformity assessment services such as testing, certification and calibration on competitive commercial terms.

Going forward, we are required to align our service offerings with market needs, in order to address funding constraints by strengthening our regulatory function and diversify voluntary/commercial conformity assessment service offerings. However, it is important to underscore that income in the form of Government grant remains key as capital injection for replacing aging equipment and infrastructure and acquisition of new equipment for expansion/diversification of scope. Furthermore, funding through Government grant is required for the NSI to carry out its legislated mandate as the only body mandated to develop, maintain, publish, and distribute Namibian Standards (NAMS) in Namibia.

The NSI is currently reviewing its Integrated Business Strategic Plan (ISBP). Once the ISBP is approved, with its full implementation, the next five years will see the NSI further unlocking the potential in respect of standardisation, quality assurance and metrology to make a difference, in collaboration with our partners in industry and Government.

I would like to thank the Namibian Standards Council (NSC), the Ministry of Industrialisation and Trade (MIT), and the Ministry of Finance and Public Enterprises (MFPE) for their continued and considerable support. The NSI has made great strides in expanding its stakeholder base and the dialogues with partners in the public and private sectors especially members of the various NSI Technical Committees (TCs) who have been invigorating, contributing immensely to the development and adoption of NAMS.

Thank you to every stakeholder, partner, client and service provider who has contributed to the NSI's 2022/23 performance. A word of gratitude also goes to all NSI colleagues who remain committed to our mandate.



**Eino Mvula**

Chief Executive Officer



Given new opportunities that Namibia is **unlocking** especially in the **oil** and **gas** industry as well as **green hydrogen** and **ammonia** sectors, the NSI's unique mandate allows us to **support** these new sectors.

**Eino Mvula** | Chief Executive Officer



# 6

## Governance and Legal Compliance Report



The Legal Advisor and Company Secretary (LACS) Department consists of the Legal Advisor, who also serves as the Company Secretary. The main functions of the department are providing legal services to the NSI and legal and company secretarial services to the NSC. It is also responsible for ensuring that the NSI and the NSC comply with governance and legal requirements as stipulated in relevant legislations.

In ensuring compliance with the Standards Act, 2005 (Act No. 18 of 2005), Trade Metrology Act of 1973 and its amendments, as well as implementing good governance practices, the King III Report and the NamCode are important guides, while the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019) is applicable to the NSI, as the Institution is one of Namibia's public enterprises.

The department provides company secretarial services to the NSC and its three subcommittees: Finance, Risk Management and Audit Committee (FRAC); Special Projects Committee (SPC); Human Resources and Remuneration Committee (HRRC).

The Legal Advisor and Company Secretary is responsible for arranging and facilitating all council meetings. All minutes of meetings are compiled, circulated and filed in accordance with good corporate governance requirements.

The Legal Advisor and Company Secretary ensures that the NSC has access to independent professional advice on good corporate governance and compliance with applicable laws. The Legal Advisor and Company Secretary reports to the NSC, on a quarterly basis, on compliance with applicable legislation.

The NSC has identified means of assessing the effectiveness of the performance of the NSC Members in terms of their performance agreements through an annual NSC Members' self-assessment questionnaire. The assessment is based, in principle, on common expectations, commitment and understanding and adherence to the principles of good governance.

### **NSC Quarterly Meetings**

During the period under review, a new NSC commenced its functions under the Standards Act, 2005 (Act No. 18 of 2005). The outgoing NSC convened and held two meetings during the period under review, while the new NSC convened and held a commencement meeting, one substantive meeting and one special meeting during the period under review.

### **NSC Finance, Risk Management and Audit Committee (FRAC)**

During the period under review, the FRAC met twice to assist the NSC in matters relating to the budget preparation, expenditure control and financial reporting, risk management, ensuring compliance with established policies, plans, rules, codes, standards, and procedures; in addition to safeguarding ethical conduct, assets, and maintenance of sound and adequate internal control systems.

### **NSC Human Resources and Remuneration Committee (HRRC)**

During the period under review, the HRRC met twice to assist the NSC with regard to policy matters relating to human resources such as remuneration, succession planning, performance management and ensuring compliance with the affirmative action policy.

### **NSC Special Projects Committee (SPC)**

The function of the Special Projects Committee is to brief the NSC on capital projects outlay required to complete the projects at hand and Information and Communication Technology (ICT) related matters and to make appropriate recommendations to the NSC. The SPC did not convene during the period under review, as it was constituted past year end.



# 7

## Internal Audit Report



### Internal Audit Report

The Risk Management Framework Enterprise is an integral part of the NSI's efforts towards opportunity maximisation. The NSC actively manages risk in pursuit of organisational goals and objectives.

The NSC also recognises that the realisation of its mandate depends on the ability of the leadership team to effect innovative and bold steps to transform the NSI into a highly professional services Institution. This includes mitigating the risk of compromising the NSI's legislative mandate and delivery of quality service to all stakeholders, including those which are considered national public good services for which there is not a significant commercial return on investment.

### Risk Management

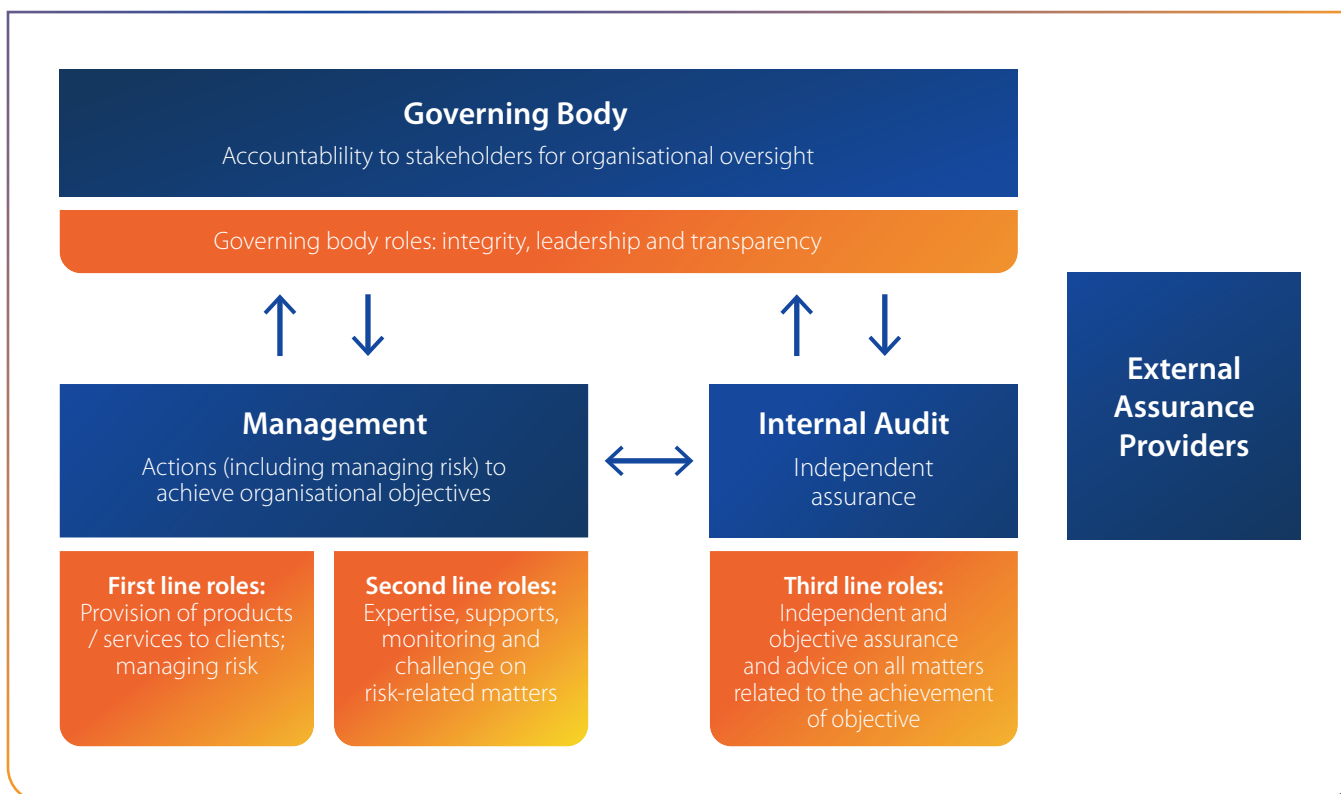
The NSI adheres to the risk policies and processes aligned with the NamCode. The Finance, Risk Management and Audit Committee is responsible for risk management oversight. The NSI has adopted an enterprise wide risk management (ERM) approach to the management of risks impacting the strategic and operational objectives of the Institution.

The risk management portfolio includes:

- Risk Management
- Strategic Risk Management
- Operational Risk Management
- Anti-corruption, Fraud Prevention and Awareness
- Business Continuity Management
- Compliance Management
- Ethics Management

### Combined assurance - three lines of defence framework

The NSI has adopted a "three lines of defence" model to manage risk. The model defines the roles and responsibilities for the management of risk and emphasises the fundamental concept that risk ownership and management is everyone's responsibility - from Accounting Authority-level and throughout the business as illustrated in Figure 1 below.



**KEY:** | ↑ Accountability, reporting | ↓ Delegation, direction, resources, oversight | ↔ alignment, communication, coordination, collaboration

Figure 1: Three lines of defence model adopted by the Namibian Standards Institution.

## Internal audit

The Internal Audit (IA) Department is an independent and objective assurance provider. It delivers on its mandate through a risk-based approach methodology, offering reasonable assurance on the effectiveness of the internal controls, risk management, compliance management and governance.

All audit activities conform to international standards for the professional practice of internal auditing as provided by the Institute of Internal Auditors (IIA).

The IA Department operates according to its charter, which the Finance, Risk Management and Audit Committee (FRAC) approved.

The internal audit department is sufficiently skilled and supported by those charged with governance to deliver on its mandate. To remain an objective and independent assurance provider, the Internal Auditor reports to the CEO and functionally to FRAC.

## Internal audit activity

The effectiveness of internal audit activity is assessed through internal evaluations. These programmes identify opportunities for improvement that are implemented and monitored by the Internal Auditor.

The Internal Auditor maintains NSI's membership to the IIA of South Africa, which is affiliated to the international body.

The risk-based internal audit plan is focused on the following focal points, which are fundamental to the NSI:

- The information technology system environment;
- The reliability and integrity of financial and operational performance information;
- The effectiveness of the NSI operations and performance;
- The safeguarding of the NSI assets in compliance with relevant laws and regulations.

The department's effective stakeholder management ensured efficiencies across all internal audit activities. Identified assurance gaps and duplications by the NSI assurance providers were addressed through integrated assurance (combined assurance) actions by the department and external auditors.





# 8

## Corporate Communications, Marketing and Human Resources Report



## CORPORATE COMMUNICATIONS, MARKETING AND HUMAN RESOURCES REPORT

This department is responsible for Corporate Communications, Marketing and Human Resources Management and Strategic Partnerships.

### HUMAN RESOURCES

Human Resource Management (HRM) is a function designed to maximise employee performance in accordance with the NSI's strategic objectives. HRM deals primarily with how people are managed within the Institution, focusing on policies and systems. It is responsible for a number of activities, including employee recruitment, training and development, performance management and remuneration (pay and benefit systems). It also deals with industrial relations, balancing organisational practices with the respective labour and government acts and matters arising from collective bargaining.

#### Levels of Employment

The NSI had a total staff compliment of ninety-two (92) permanent employees as of 31 March 2023. During this period, no promotions and new appointments were made due to the fact that all recruitment processes were put on hold until further notice.

#### Employment Equity

The NSI continued to comply with the requirements of the Affirmative Action (Employment) Act, 1998 (No. 29 of 1998). In this regard, the Institution ensured that all its policies and practices are aligned to affirmative action requirements and guidelines. The NSI received a certificate of compliance from the Employment Equity Commission for the year under review.

#### Policies Review

No policies were reviewed during the financial year. The following Human Resources related policies exist at the NSI:

- Human Resources Policies and Procedure Manual.
- Medical Aid Policy.
- Training and Development Policy.
- Code of Conduct and Ethics.

The remuneration for Senior Management is in accordance with provisions of the Public Enterprises Governance Act, No. 1 of 2019.

#### Training and Development

Despite financial constraints, the NSI, with the support of strategic partners, continues to invest in its staff through training and development opportunities. During the reporting period, almost all NSI technical staff participated in numerous training activities and study visits to various Standards Bodies, Metrology Agencies and Conformity Assessment Bodies in the European Union (EU) Member States under the German and Swedish jointly implemented EU Twinning project "Support to the Namibian Standards Institution" in Namibia.

#### Challenges

The full implementation of Human Resources-related policies remains a challenge, especially where there are costs involved. Employee self-service and online recruitment have been identified as priority areas that need urgent attention. Strengthening the Organisational Development and Training function within the Human Resources Division is also essential.

Another challenge involves the working hours for Testing and Inspection staff, which exceed the required daily and weekly limits as per the Labour Act. The Office of the Labour Commissioner has granted the NSI permission to exceed the legally prescribed overtime limit due to the nature of the operations of the Institution.

#### Corporate Communications and Marketing

The Corporate Communications and Marketing (CCM) Division strives to serve as a valued strategic partner within the NSI by providing integrated and effective communication, branding, public relations, media relations, events management and marketing programmes that focus on facilitating and accelerating institutional vision attainment.

By focusing on key strategic areas, CCM creates a competitive advantage for the NSI and enables it to realise its aspiration of being a reliable service provider of standards-based solutions that create confidence and improves quality of life in Namibia. CCM focuses on branding, communications, stakeholder engagements, marketing and social media management.

### Branding

Corporate Brand Identity is the official brand custodian of the NSI. CCM works in partnership with business units and external stakeholders in presenting a clear, consistent and cohesive NSI brand. On the 1st of April 2022, CCM launched a revised and comprehensive Corporate Identity Manual. Through branding workshops, CCM advises and guides on how to apply the brand identity guidelines. Templates are available for letterheads, email signatures, presentations, posters and banners.

### Communication:

CCM collaborates with media partners to create content that supports the Institution’s strategic messages and brand.

### Stakeholder Engagements

The NSI, as part of the stakeholder engagement implementation plan, held Industry Meetings in Walvis Bay and Lüderitz. Further, the NSI, in collaboration with the Trade Forward Southern Africa (TFSA) hosted a stakeholder engagement workshop and training under the theme: “Good Manufacturing Practices (GMP) for Cosmetics”.

Other stakeholder engagements were held in collaboration with the EU-funded Twinning Project.

The NSI also participated in two exhibitions:

- Namibia Chamber of Commerce and Industry (NCCI) SWAiTEX Expo
- Erongo Tourism Expo

### Marketing and Media

The website [www.nsi.com.na](http://www.nsi.com.na) provides prospective clients with a wide-range of information on the Institution. An online resource centre is the newest addition to the website - a digital walk-in library at your fingertips.

The World Standards Day and the World Metrology Day are two of the NSI’s important annual events. The 2022 World Standards Day was commemorated on the 14th of October 2022, under the continued theme: “Shared Vision for a Better World”. The NSI ran a social media campaign and in partnership with FutureMedia Namibia, launched a weeklong radio promotion under this them.

### Social Media Presence

Social media is becoming increasingly important. Direct communication with existing and prospective customers along with lots of other plus points make it a success factor for business development.

Social media has now found its way into many people’s everyday lives. Facebook, X (formerly Twitter), and Instagram, to name a few examples, have millions of active users – and that means millions of people who might want to buy products and services. A well-maintained social media presence is key to a successful business.

The NSI has increased its total following from 11 635 in the previous financial year to the current 15 192 across Facebook, LinkedIn, Instagram and X, as illustrated in Figure 2 below.

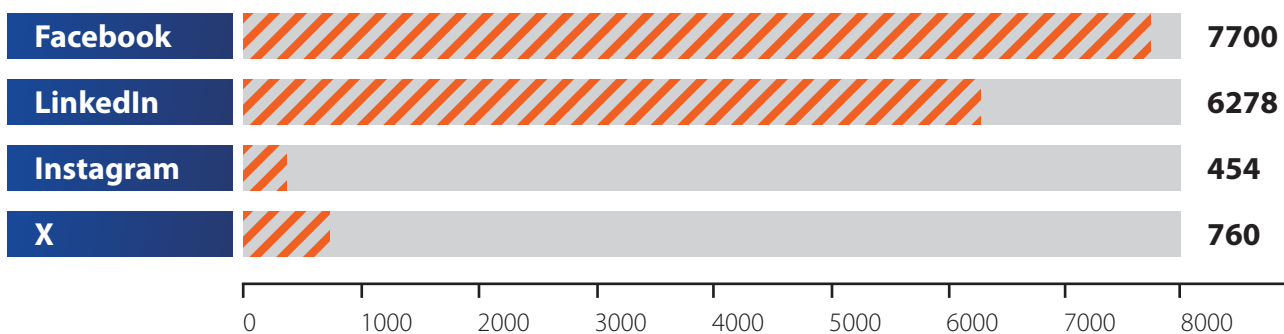


Figure 2: Namibian Standards Institution social media performance.



# 9

## Standards Development and Coordination Report



## CORE FUNCTIONS

The main function of the Standards Development and Coordination (SDC) Department is to facilitate, prepare and develop Namibian standards (NAMS) in accordance with International Code of Good Practice as specified by Annex 3 to the World Trade Organisation agreements and International Organisation for Standardisation directives.

Additionally, the department promotes standards through training on national, regional and international standards, to address Namibian needs as well as engaging stakeholders.

The NSI is also mandated to facilitate and coordinate the implementation of the National Quality Policy by hosting the Annual National Quality Awards. The National Quality Policy (NQP) was reviewed to reflect the current needs and was approved by Cabinet in September 2020.

The NSI recognises the vital role that stakeholders play in the Management of Technical Committees and appreciates their roles in standards development. Through this department, the Institution will continue to host and commemorate the annual World Standards Day, by hosting various activities.

## NATIONAL QUALITY POLICY IMPLEMENTATION

The NQP was adopted on 1 June, 1999, as the official government statement highlighting the strategic intent and position on all issues concerning quality enhancement and advancement across all sectors of the economy in order to, among other things, facilitate access to global markets.

The NQP was officially launched in April 2021, with the appointment of the Inter-Ministerial Core Group as well as the Technical Committee Members. The implementation process will run until 2025.

## POLICY OBJECTIVES

The policy is aimed at ensuring that goods and services emanating from or traded in Namibia meet customer needs; protection of health and safety of people, fauna, flora and environment. The two main elements of this policy are National Quality Infrastructure (NQI) and Technical Regulatory Framework (TRF).

## COMMEMORATION OF WORLD STANDARDS DAY AND NATIONAL QUALITY AWARDS

The World Standards Day is aimed at paying tribute to the collaborative efforts of the thousands of experts worldwide who develop the voluntary international standards used in all spheres of life. These international standards form the basis on which compulsory specifications and technical regulations are based.

The 2022 World Standards Day was celebrated under the theme: "Shared vision for a better world" by a means of a promoting the theme across social media platforms, radio scripts, Good Morning Namibia and a One On One on the NBC TV channel.

The National Quality Awards is a platform aimed at recognising those esteemed companies and individuals who excel in quality advancement in Namibia. The competition derives its mandate from the NQP document.

The competition rewards excellence in various aspects of quality improvement, such as quality assurance, quality management and quality control. No quality awards ceremony was held during the year under review due to financial constraints.

## Standard Development and Coordination Performance

A total of 13 standards (NAMS) were published during the period under review.

The published NAMS are being applied for;

- Metrological services - labelling requirements for pre-packed fruits, for sales of goods, assessment and verification of the consistency of cement factory and tolerance for accuracy measurement.
- Control of agricultural produce - standards are required to safeguard the quality and safety of the locally-produced and imported regulated agricultural crops and fruits.
- Safety rules for lifts installation and consultation - these standards are needed to safeguard the installation of lifts for transportation of persons and goods.
- Energy-saving lighting products - standards are needed to ensure that the industry or importers/exporters/consumers use or manufacture lighting products that meet the set NAMS.

- Hygienic practices on fishing vessels – standards are required to safeguard food safety, especially in relation to avoiding the contamination of fish.
- Information security – standards aim to protect privacy, cybersecurity and cloud services.

Table 1 below provides details of the newly-developed standards.

**Table 1:** Published Standards for the year 2022/2023

	TITLE	DESCRIPTION	INDUSTRY SECTOR	DATE OF PUBLICATION	GAZETTE NO.
1.	NAMS/EN 197-2:2022	Assessment and verification of constancy of performance	Cement Factory and production control i.e. auto-control samples testing, inspection bodies, metrology bodies	15/06/2022	No.7828
2.	NAMS/EN 81-20:2022	Safety rules for the construction and installation of lifts - Lifts for the transport of persons and goods - Part 20: Passenger and goods passenger lifts	Manufacturers for lifts, conveyors and escalators as well as installers and maintenance service providers, building construction companies, local authorities and Ministry of Labor	15/06/2022	No.7828
3.	NAMS/SADC MEL DOCUMENT 1: 2022	Labelling requirements for prepacked products and general requirements for the sale of goods.	Manufacturers of prepacked products for sales, retailers, importers and exporters of prepacked goods for sales, Consumers of prepacked goods	07/09/2022	No. 7878
4.	NAMS 0020: 2022	Marketing and commercial quality control of Lettuce	Agronomic and horticultural bodies, farmers unions, crop producers ,Importers and exporters of controlled products, Ministry of Agriculture notification points on Sanitary and Phyto-Sanitary, retailers, customs (port of entries), local authorities and ministry of Health and Trade Ministry, World Trade Organisation TBT notification points and Consumers	15/08/2022	No. 7878
5.	NAMS 0021: 2022	Marketing and commercial quality control of Berry fruits	Agronomic and horticultural bodies, farmers unions, crop producers ,Importers and exporters of controlled products, Ministry of Agriculture notification points on Sanitary and Phyto-Sanitary, retailers, customs (port of entries), local authorities and ministry of Health and Trade Ministry, World Trade Organisation TBT notification points and Consumers	15/08/2022	No. 7878
6.	NAMS 0022: 2022	Marketing and commercial quality control of Watermelons	Agronomic and horticultural bodies, farmers unions, crop producers ,Importers and exporters of controlled products, Ministry of Agriculture notification points on Sanitary and Phyto-Sanitary, retailers, customs (port of entries), local authorities and ministry of Health and Trade Ministry, World Trade Organisation TBT notification points and Consumers	15/08/2022	No. 7878
7.	NAMS 0023: 2022	Marketing and commercial quality control of Citrus fruit	Agronomic and horticultural bodies, farmers unions, crop producers ,Importers and exporters of controlled products, Ministry of Agriculture notification points on Sanitary and Phyto-Sanitary, retailers, customs (port of entries), local authorities and ministry of Health and Trade Ministry, World Trade Organisation TBT notification points and Consumers, inspection bodies	15/08/2022	No. 7878
8.	NAMS/SADC HT 109:2022	Quality and Performance Standards for Lighting Products	Retailers of low energy lighting appliances/ commodities, manufacturers, exporters and importers of energy saving products, consumers of energy saving products, Ministry of mines and energy and its agencies (regulators) and customs, standardization bodies, inspection bodies	01/11/2022	No. 7943
9.	NAMS/SANS 10239:2022	Hygienic practices on commercial fishing vessels	Fishing establishments, Fish storage facilities and transport services providers, retailers, exporters and imports, Fishing federation body, Ministry of Trade, Ministry of Fisheries, inspection bodies	01/11/2022	No. 7943

10.	NAMS ISO/IEC 27014:2022	Information security, cybersecurity and privacy protection – Governance of information security	Ministry of Information , Communication and Technology, OMAs, any private businesses or individuals who intended to safeguard security on its information	01/11/2022	No. 7943
11.	NAMS/ISO/IEC 27032:2022	Information technology – Security techniques – Guidelines for cybersecurity	Ministry of Information , Communication and Technology, OMAs, any private businesses or individuals who intended to safeguard security on its information	01/11/2022	No. 7943
12.	NAMS/ISO/IEC 27036-4:2022	Information technology – Security techniques – Information security for supplier relationships – Part 4: Guidelines for security of cloud service	Ministry of Information , Communication and Technology, OMAs, any private businesses or individuals who intended to safeguard security on its information	01/11/2022	No. 7943
13.	NAMS/SADC MEL DOCUMENT 4: 2022	Tolerances permitted for the accuracy of measurements made in terms of legal metrology legislation including the measurement of goods when prepackaged or when measured at the time of sale or in pursuance of a sale, and requirements for the inspection of prepackages	Retailers, wholesalers, factories/manufacturers of prepacked goods for sales, customs, exporters and importers of prepackaged goods for sales, general public consumers, Technical Barriers on Trade notification points	19/12/2022	No. 7996

## STANDARDS PUBLICATION, SALES AND INFORMATION

The Standards Publications, Sales and Information Division is tasked with the publishing of the NAMS, other adopted standards, as well as the selling and the dissemination of information on standards. This division is guided by the NSI's mission to provide standardisation and conformity assessment services to ensure the health and safety of consumers, protection of the environment and promotion of trade.

## WTO/ TECHNICAL BARRIERS TO TRADE (TBT) AGREEMENT NOTIFICATIONS

Four (4) Technical Regulations and 4 Article 10.7 Mutual Recognition Agreements were notified to the WTO. Furthermore, the NSI as the National Notification and Enquiry point, sent representatives to attend the WTO/TBT Committee meetings in Geneva, Switzerland.

As a member of the WTO, Namibia is committed to the effective implementation of the WTO/TBT Agreement as it aligns with national development ambitions and supports trade as an engine of economic growth for the country. For the above reason, the NSI is in the process of establishing the National Technical Barriers to Trade Consultative Committee (NTBTCC). The NTBTCC will provide a mechanism for consultation and advice at national level, as well as coordinating and overseeing the implementation of the WTO/TBT Agreements. The NBTCC will be co-chaired by the NSI and the Ministry of Industrialisation and Trade.

Furthermore, as per the requirement WTO/TBT Agreements of which Namibia is obligated to, the NSI submitted the bi-annual standards work development programme for the preceding six months to the WTO Secretariat for publication to other WTO members in October 2022.

Additionally, TBT stakeholder engagement training workshops were successfully completed in different towns. The training sessions focused on WTO/TBT Agreement requirements, Notification Procedures, Good Regulatory Practices (GRP) and Regulatory Impact Assessments (RIA).

To this end, the NSI created the WTO/TBT online page on the NSI website ([www.nsi.com.na](http://www.nsi.com.na)). Stakeholders are encouraged to visit the website and register to receive the Technical Regulations published and notified by other WTO members.

## Standards workshops and training

The most frequent standards training requested and offered during the period under review was on Quality Management Systems. This is due to the fact that the standard in question can be applied by different types of industries. Other trainings offered

were for Information Security Development and Implementation, Development and Implementation of Testing and Calibration Laboratories and Development and Implementation of Occupational Health and Safety Management System. Table 2 below shows the number of trainings conducted by the NSI in the year under review, as well as the nature of the training offered and the number of participants per training session.

**Table 2:** Trainings executed by the NSI during 2022/2023

INSTITUTION	PARTICIPANTS	TRAINING
ErongoMed	15	NAMS/ISO 9001: 2015 Awareness of Quality Management System
ErongoMed	8	NAMS/ISO 9001: 2015 Development and Implementation of Quality Management System
ErongoMed	8	NAMS/ISO 9001: 2015 Internal Auditing of Quality Management System
Individuals	5	SO/IEC 17025: 2017 Development and Implementation of Testing and Calibration Laboratories
Mobile Telecommunications Company (MTC)	16	NAMS/ISO 27001: 2021 Information Security Introduction and Awareness
Mobile Telecommunications Company (MTC)	16	NAMS/ISO 27001: 2021 Information Security Development and Implementation
Mobile Telecommunications Company (MTC)	15	ISO/IEC20000-1:2018 Information Technology Introduction and Awareness
Mobile Telecommunications Company (MTC)	15	ISO/IEC20000-1:2018 Information Technology Development and Implementation
Namibian Agronomic Board (NAB)	20	NAMS/ISO 45001: 2018 Development and Implementation of Occupational Health and Safety Management System
NORED	1	NAMS/ISO 45001: 2018 Development and Implementation of Occupational Health and Safety Management System

### Departmental Challenges

- 1) Lack of Technical Regulations Framework to support standards operations.
- 2) Inadequate funds to effect marketing of the standards services.
- 3) Low standards uptake due to lack of understanding of the benefits associated with standards applications.
- 4) Lack of a National Standardisation Strategy to establish standards need of the country.
- 5) Inadequate funds to partake in regional and international standards and trade-related capacity buildings platforms.



# 10

## Testing and Inspection Report



The Testing and Inspection Department has twin responsibilities of the provision of inspection services to the Namibian fishing industry and the provision of testing services to regulators and commercially to various customers.

The new NSI Inspection Centre was formally opened by the Minister of Industrialisation and Trade, Honourable Lucia Lipumbu, on 16 July 2022, a proud moment the NSI shared with senior management of its Line Ministry and its key stakeholders.

Formal engagement with the fishing industry and other customers was done during 2022 in Walvis Bay (19-20 July) and in Lüderitz on 01 December.

### International co-operation

The department continued to implement its obligations under the technical cooperation agreement signed with the South African National Regulator for Compulsory Specifications (NRCS), the SIIR scheme signed with Botswana Bureau of Standards (BOBS), and the memorandums of agreement signed with Instituto Nacional de Inspeccao do Pescado (INIP) of Mozambique. These agreements provide for recognition of the inspection services for products intended for these countries from Namibia.

Technical training for the Testing Centre was conducted through developmental cooperation from the Better Training for Safer Food (BTSF) initiative of the European Commission and the International Atomic Energy Agency (IAEA) on the national project NAM2020002 and on the regional project RAF5084 towards capacity building. In addition, the IAEA RAF 5084 enabled the acquisition of proficiency testing material as an initiative to support chemical testing services. Furthermore, during 2022 the Testing Centre laboratory was nominated as a technical institution by the IAEA to host a fellowship for two international technical officers due to its technical competency in the field of heavy metal analysis.

The Economic Partnership Agreement (EPA) implementation plan was signed in 2020 between Namibia and the European Commission. This project supports a second linked project, namely the Twinning Fiche on the project NA19 EDF EC 01 20, which is a two year project running from 2022 to 2023, targeting capacity building by twinning NSI departments with European Union institutions with related mandates. It is anticipated that the EPA project will assist the NSI Testing and Inspection Department with the procurement of equipment. In terms of standardisation, the NSI Testing and Inspection Department has been participating in both the ARSO and SADCSTAN technical committee working groups on the development of fishery products related standards during 2022/23. Draft technical regulations for frozen fish, canned meat and canned fish have been submitted to the MIT for gazetting.

### Inspection Centre

The Inspection Centre performs inspection for compliance to specifications for fish, fishery products and canned fish and meat products. In order to ensure international recognition of its services, the Inspection Centre continued to uphold its accreditation to ISO/IEC 17020:2012, the international standard that specifies requirements for the competence of bodies performing inspection and for the impartiality and consistency of their inspection activities. The Inspection Centre is classified as a Type A Inspection body as it provides third party inspections and is not involved in the manufacture or design of the products that it inspects.

During 2022/23 the Inspection Centre continued to perform its delegated function as Competent Authority (CA) and Inspection Agency for fishery products to the European market.

The Inspection Centre's accreditation status is built on the foundation of a quality management system that reinforces impartiality, integrity, confidentiality and staff competency as the foundational cornerstones of the NSI. Accreditation status was maintained and confirmed in November 2022, by the regional accreditation body, the Southern African Development Community Accreditation Services (SADCAS).

By March 2023, the NSI approved establishment list had a total of 128 listed establishments, comprised of six (6) cold stores, 19 freezer vessels, 24 land-based establishments, 39 factory vessels and 40 ice vessels. During 2022/23 three (3) establishments were newly approved for listing by the NSI Inspection Centre. Lists of food-producing establishments for non-European Union countries are proposed by approved (listed) non-EU countries and maintained by the European Commission in accordance with legislation. Of the new establishments three (3) were proposed by the NSI, in its capacity as the Competent Authority for fishery products for Namibia, and approved for listing by the European Commission.

Inspection activities during the year under review were focused on the following products - frozen finfish, marine mollusks and frozen crustaceans (lobster, langoustines and crabs); chilled fresh finfish for export; pouched meat products and canned fish.

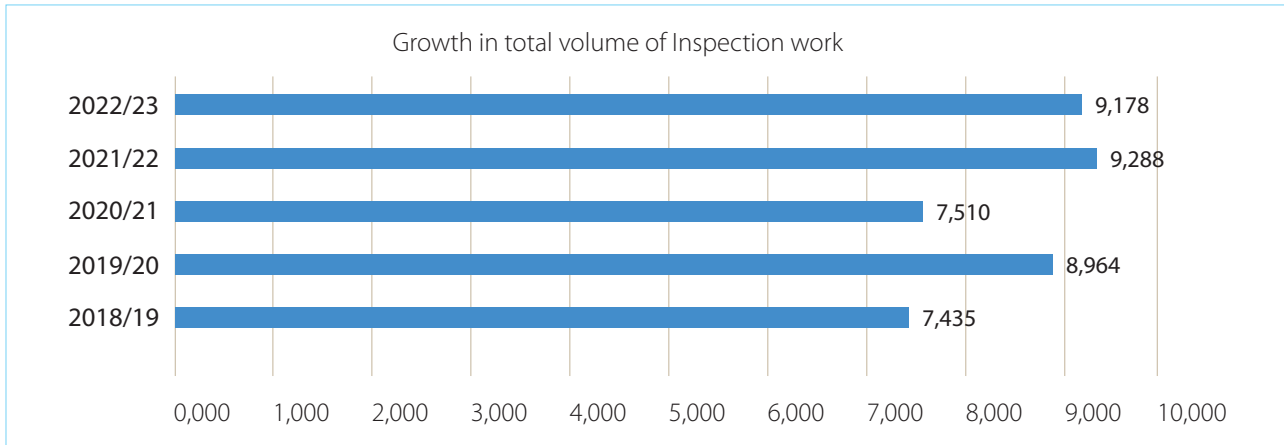
Inspection activities include the physical and organoleptic examination of the fishery products, canned meat and canned fish as well as hygiene monitoring of processing establishments and vessels to ensure consumers safety, facilitation of trade and protection of the market. In response to requests from Namibian ski-boat operators, the Inspection Centre developed an inspection scheme for the inspection and audit of ski-boats used to catch line fish. This scheme was formalised and presented to industry during early 2022 and is ready to service the sector.

**Marine Aquaculture**

The department continued to assist the Ministry of Fisheries and Marine Resources (MFMR) with the implementation of the Shellfish Sanitation Programme through regular sampling of sea water and shellfish products for laboratory testing for the presence of chemical and microbiological contamination and evaluation of the test results for compliance to regulatory and/or international market requirements. An annual workshop to review the monitoring data for 2021/23 was completed in April 2022, resulting in the formalisation of the 2022/23 shellfish sampling program.

**Changes in nature and volume of work**

The Inspection Centre completed a total of 9,178 inspection activities during the 2022/23, a slight reduction as compared to the previous financial year, as illustrated in Figure 3 below.



**Figure 3:** Growth in volume of work reflected as total number of inspections per financial year.

Frozen fish inspection continued to contribute the most significant portion of inspection work followed by chilled fish inspections, as illustrated in Figure 4. Chilled fresh fish inspections experienced growth as Lüderitz operators have started to convert their catches from frozen to chilled / fresh export products as a result of changes in the available logistical transport services from Lüderitz harbour to the market for the fishing industry. Canned fish products inspections remained decreased due to the moratorium on pilchard fishing in the Namibian industry and the high importation cost for frozen pilchard.

A low volume of pouched meat inspections were conducted during 2022/23.



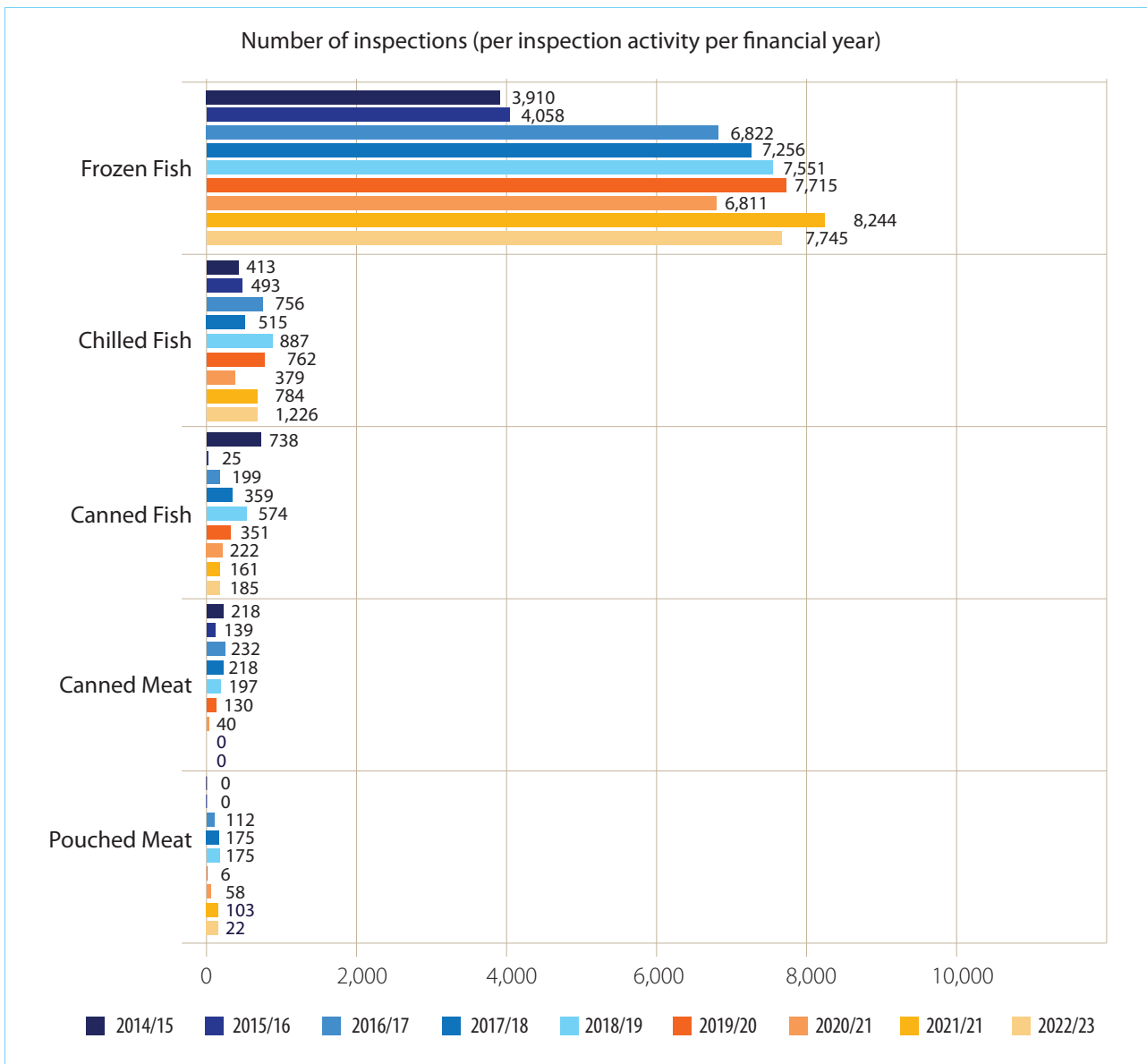


Figure 4: Changes in the type and volume of inspection activities per product category per financial year.

### Testing Centre

The Testing Centre is based in the harbour town of Walvis Bay and provides analytical testing services for food, water and environmental samples through the provision of microbiology and chemistry testing. Provision of testing services is rendered to both government and private institutions. The test results provide independent assessment and evidence of compliance of products and services with regulations and conformity with market requirements. The laboratory serves the fishing industry, various food manufacturing industries, regional authorities in the Erongo region, hospitality industry, water bottling companies, mines and any other customers.

### Maintenance of Accreditation

The Testing Centre is accredited by SADCAS and continues to uphold its accreditation status with the latest demonstration thereof in the annual surveillance assessment held in November 2022. Accreditation is to ISO/IEC 17025:2017 the international standard for quality management systems for testing and calibration laboratories. Through an ongoing Quality Management System integrity assurances, the maintenance and continuous improvement is focused on the five (5) pillars of competency, specifically: competent staff, competent methods, competent equipment, competent environment, and traceability to international units of measurement. This ensures that each measurement issued is both accurate and reliable.

The Testing Centre remains committed to international competitiveness in terms of its quality of services. To this end, the laboratory annually participates in inter-laboratory comparison in the form of proficiency testing schemes, which provide independent assessment of the quality of laboratory results in the format of blind test runs in comparison to other regional and

international laboratories offering similar services. Various proficiency testing schemes that the laboratory participates in include, Public Health England (PHE), National Laboratory Association South Africa (NLA-SA), Laboratory of the Government Chemist (LGC), Food Analysis Performance Assessment Scheme (FAPAS), Quality Assurance of Information for Marine Environmental Monitoring in Europe (Quasimeme) and South African Bureau of Standards (SABS) water.

### Changes in work volume

As illustrated in Figure 5 below, the microbiology laboratory analysed a total of 31,368 tests for 9,722 samples during 2022/23 which represents an increase of 10% for tests analysed and 7% for the samples processed compared to the volume of work handled in 2021/22. The chemistry laboratory analysed a total of 1,603 tests for 697 samples during 2022/23, as illustrated in Figure 6, a slight reduction in test work volume from the prior financial year.

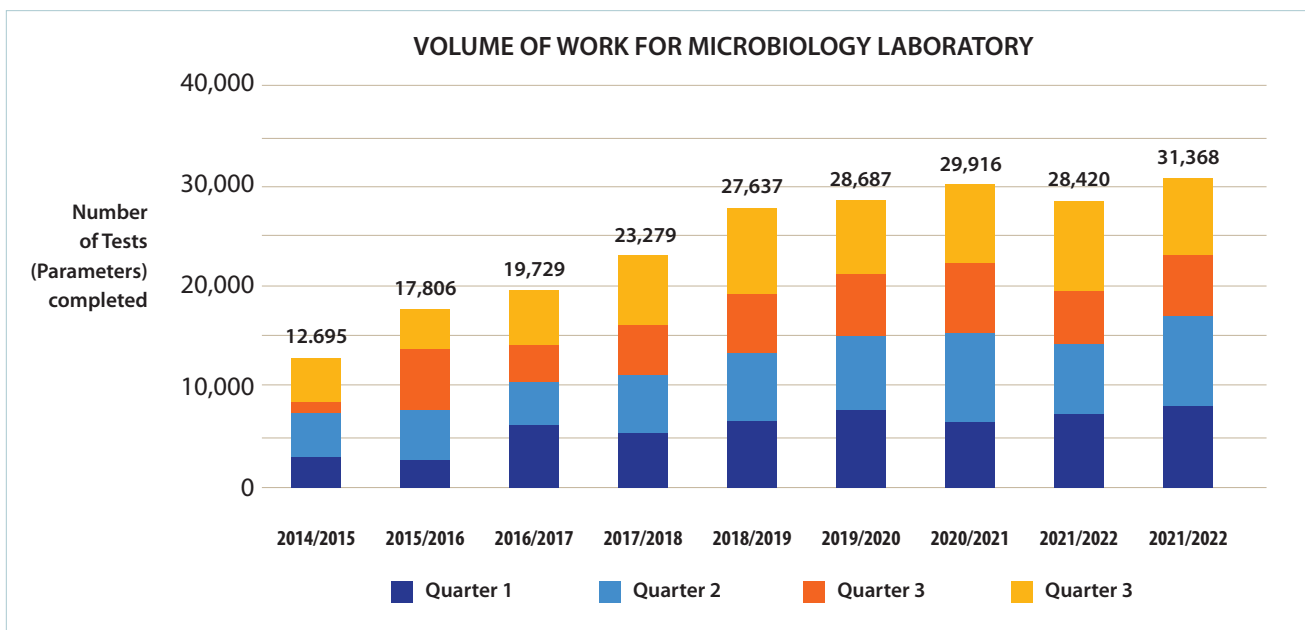


Figure 5: Graphical representation of changes in volume of test work over time based on the number of test parameters completed during a Financial Year for the Microbiology laboratories.

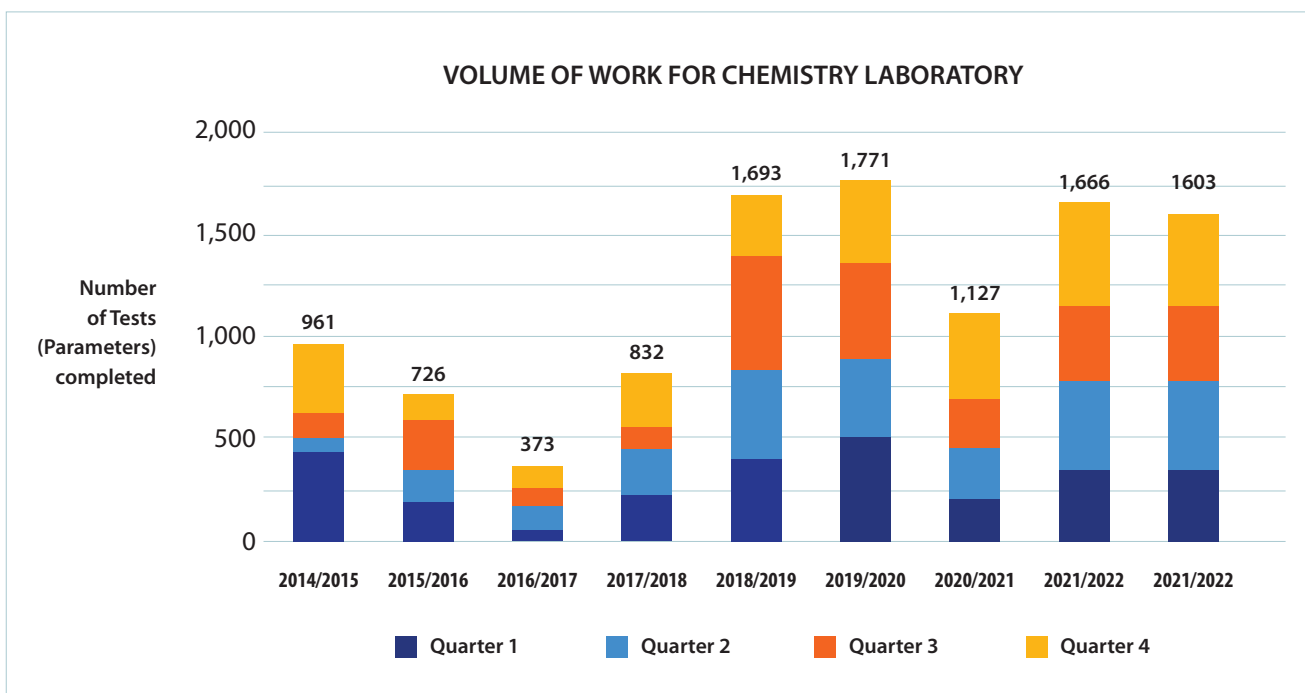
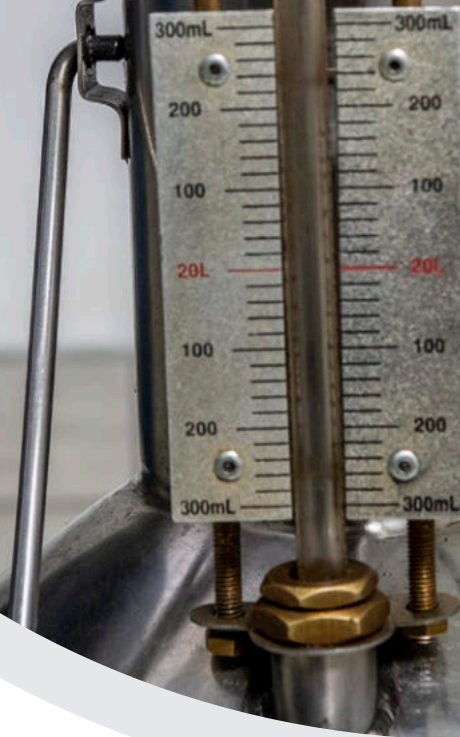


Figure 6: Graphical representation of changes in volume of test work over time based on the number of test parameters completed during a Financial Year for the Chemistry laboratories.



# 11

## Metrology Report



Metrology is the science of measurements and its application. It includes all theoretical and practical aspects of measurement.

The Metrology Department serves the functions of the National Metrology Institute (NMI) and that of a National Legal Metrology Authority (LMA), with the function of realising, declaring of calibration and measurement capabilities and dissemination of measurement traceability as well as administration and enforcement of Legal Metrology functions.

Metrology has many applications that fundamentally demonstrate compliance to mandatory technical regulatory requirements or voluntary standards of goods and services in the pursuance of the once tested and accepted everywhere principle of the WTO guidelines aimed at the alleviation of non-tariff technical barriers to trade. In addition to providing a framework that supports conformity to requirements, Metrology plays a key role in scientific and technological innovations, the detection and avoidance of non-conformities.

Application of Metrology has legal aspects that are designed to yield societal benefits when perusing commercial transactions or in the application of rule of law when measurements are concerned such as:

- Reduce disputes and transaction costs;
- Fair trade and consumer protection;
- Market access;
- Full collection of taxes/state revenue;
- Transparent and credible framework for regulations and sanctions;
- Control of fraud;
- Health, safety and protection of the environment.

To date the department continues to offer National Metrology services under its Scientific and Industrial Metrology Division (NMI functions) and Legal Metrology Authority services (LMA) under the Legal Metrology Division as follows:

Scientific and Industrial Metrology Division (NMI Services)

- Mass Metrology: Mass pieces and Weighing Instruments Digital – self – indicating;
- Volume Metrology: Micropipettes / Syringes, Glassware and Metal Measures;
- Temperature Metrology: Digital Thermometry, Liquid in Glass Thermometry, Isothermal Media (single point and Mapping) and Infrared Thermometry (Unaccredited).
- Dimension Metrology: Calibration of Gauge Blocks, Dial/Digimatic Indicators, Micrometres, Vernier Callipers (Unaccredited)

Tables 3, 4 and 5 below depict Accreditation Schedules for Mass Metrology, Volume Metrology and Temperature Metrology.

**Table 3:** Mass Metrology

ITEM	MEASURED QUANTITY OR TYPE OF GAUGE OR INSTRUMENT	METHOD	RANGE OF MEASURED QUANTITY	CALIBRATION AND MEASUREMENT CAPABILITY EXPRESSED AS AN UNCERTAINTY ( $\pm$ )	
<b>At NSI</b>					
1	Mass pieces	Internal: MTPI 002	1 mg to 5 g	0,02 mg	
			10 g	0,03 mg	
			20 g to 50 g	0,04 mg	
			Reference: OIML R111-1	100 g	0,1 mg
				200 g	0,2 mg
		500 g		0,001 g	
		1 kg to 2 kg		0,002 g	
		5 kg		0,005 g	
			10 kg	0,03 g	
			20 kg	0,03 g	
<b>At NSI and On-site</b>					
2	Weighing Instruments Digital – self - indicating		Internal: MTPI 003	0 g to 50 g	0,00002 g
				50 g to 200 g	0,0006 g
		Reference: OIML R76, EURAMET cg 18	200 g to 3000 g	0,00015 % + 0,000 g	
			3,0 kg to 1500 kg	0,001%	

**Table 4:** Volume Metrology

ITEM	MEASURED QUANTITY OR TYPE OF GAUGE OR INSTRUMENT	METHOD	RANGE OF MEASURED QUANTITY	CALIBRATION AND MEASUREMENT CAPABILITY EXPRESSED AS AN UNCERTAINTY ( $\pm$ )
			<b>At NSI</b>	<b>At NSI</b>
1	Micropipettes / Syringes	Internal: MTPI 009	1 $\mu\text{l}$ to 10 $\mu\text{l}$	0,2 $\mu\text{l}$
			10 $\mu\text{l}$ to 100 $\mu\text{l}$	0,8 $\mu\text{l}$
		Reference: ISO 8655-6	100 $\mu\text{l}$ to 200 $\mu\text{l}$	0,9 $\mu\text{l}$
			200 $\mu\text{l}$ to 500 $\mu\text{l}$	1,6 $\mu\text{l}$
			500 $\mu\text{l}$ to 1000 $\mu\text{l}$	8,2 $\mu\text{l}$
			<b>At NSI</b>	<b>At NSI</b>
2	Glassware	Internal: MTPI 010 & MTPI 011 Reference: ISO 4787	10 ml to 5 l	0,02 %
			<b>At NSI</b>	<b>At NSI</b>
3	Metal Measures	Internal: MTPI 010 & MTPI 014 Reference: : ISO 4787 OIML R120	1000 ml to 20 l	0,04 %

**Table 5:** Temperature Metrology

ITEM	MEASURED QUANTITY OR TYPE OF GAUGE OR INSTRUMENT	METHOD	RANGE OF MEASURED QUANTITY	CALIBRATION AND MEASUREMENT CAPABILITY EXPRESSED AS AN UNCERTAINTY ( $\pm$ )	
				<b>At NSI</b>	<b>On-Site</b>
1	Digital Thermometry	Internal: MTPI 006 Reference: SANAS TR 19	-30 $^{\circ}\text{C}$ to 125 $^{\circ}\text{C}$ 125 $^{\circ}\text{C}$ to 450 $^{\circ}\text{C}$	0.2 $^{\circ}\text{C}$ 0.2 $^{\circ}\text{C}$	0.2 $^{\circ}\text{C}$ 0.2 $^{\circ}\text{C}$
				<b>At NSI</b>	<b>At NSI</b>
2	Liquid in Glass Thermometry	Internal: MTPI 007 Reference: OIML R 133, SANAS TR 19	-40 $^{\circ}\text{C}$ to 0 $^{\circ}\text{C}$ 0 $^{\circ}\text{C}$ to 150 $^{\circ}\text{C}$	0.25 $^{\circ}\text{C}$ 0.2 $^{\circ}\text{C}$	
				<b>At NSI &amp; On-site</b>	
3	Temperature Installations (Single Location)	Internal: MTPI 016 Reference: SANAS TR 19	-30 $^{\circ}\text{C}$ to 0 $^{\circ}\text{C}$ 0 $^{\circ}\text{C}$ to 10 $^{\circ}\text{C}$ 10 $^{\circ}\text{C}$ to 40 $^{\circ}\text{C}$ 40 $^{\circ}\text{C}$ to 80 $^{\circ}\text{C}$ 80 $^{\circ}\text{C}$ to 450 $^{\circ}\text{C}$	2 $^{\circ}\text{C}$ 1 $^{\circ}\text{C}$ 0.4 $^{\circ}\text{C}$ 0.8 $^{\circ}\text{C}$ 2 $^{\circ}\text{C}$	
				<b>At NSI &amp; On-site</b>	
4	Isothermal Media (Multi-location Mapping)	Internal: MTPI 016 Reference: SANAS TR 19	-30 $^{\circ}\text{C}$ to 0 $^{\circ}\text{C}$ 0 $^{\circ}\text{C}$ to 10 $^{\circ}\text{C}$ 10 $^{\circ}\text{C}$ to 40 $^{\circ}\text{C}$ 40 $^{\circ}\text{C}$ to 80 $^{\circ}\text{C}$ 80 $^{\circ}\text{C}$ to 450 $^{\circ}\text{C}$	2 $^{\circ}\text{C}$ 1 $^{\circ}\text{C}$ 0.4 $^{\circ}\text{C}$ 0.8 $^{\circ}\text{C}$ 2 $^{\circ}\text{C}$	

The distribution of the workload across various Metrology fields within the realms of Scientific and Industrial Metrology exhibited distinct patterns as depicted in Figure 7. Mass Metrology, as a prominent segment, accounted for the majority of the workload, representing 48% of the total volume. In contrast, Dimension Metrology constituted a mere 2% of the overall work allocation. Temperature Metrology, meanwhile, held the second-largest share at 41%, with Volume Metrology contributing to 9% of the total workload during the period under review.

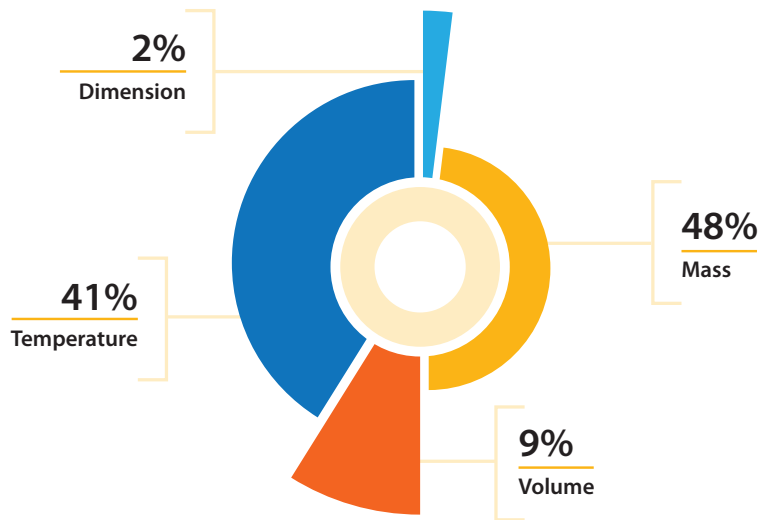


Figure 7: Work distribution per Scientific and Industrial (S&I) Metrology field.

During the financial years spanning from 2011-2012 to 2022-2023, the Scientific and Industrial Metrology Division recorded a decline in the number of calibrated instruments. Specifically, there was a reduction of 723 instruments in comparison to the previous financial year, as visually depicted in Figure 8 below.

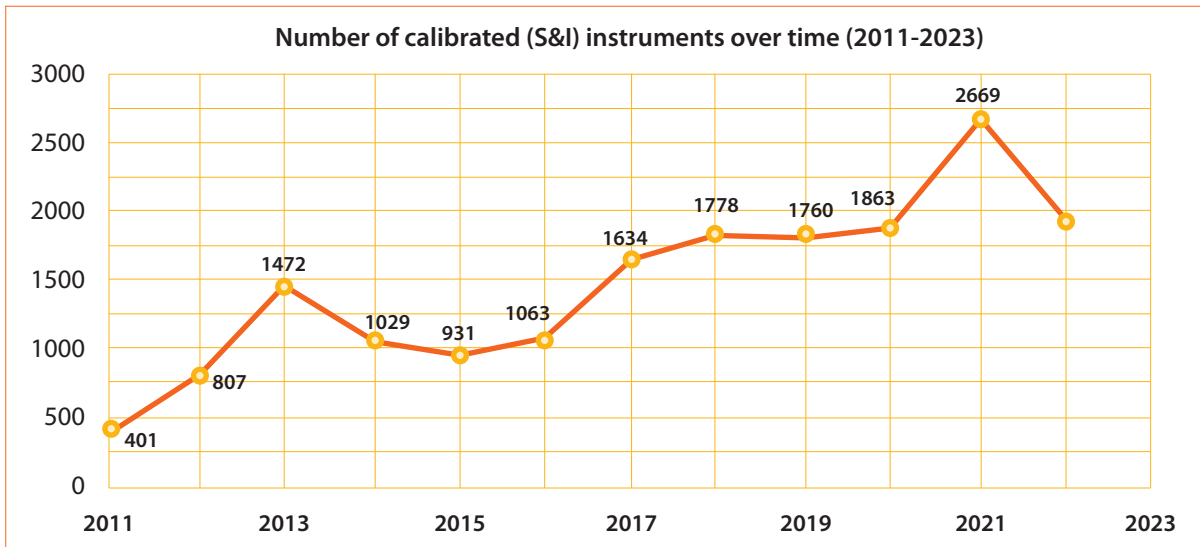


Figure 8: Number of calibrated (S&I) instruments over time (2011-2023).

Analysing the distribution of calibrated instruments across Metrology fields from the financial years 2015-2016 to 2022-2023, it becomes evident that Mass and Temperature Metrology consistently dominated the landscape, while the total number of instruments in the Volume and Dimension Metrology fields remained consistently low throughout the period as depicted in Figure 9 below.

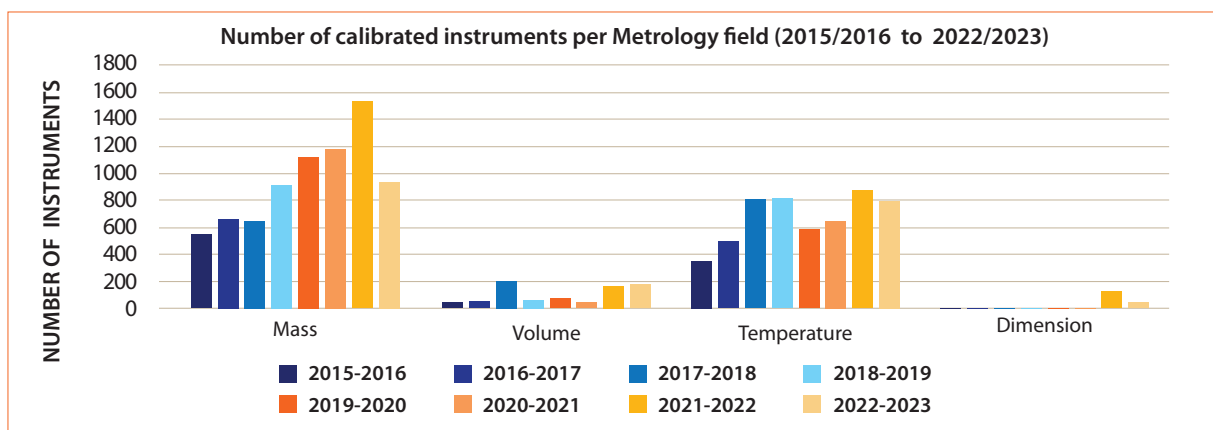


Figure 9: Number of calibrated instruments per Metrology field (2015/2016 to 2022/2023).

As illustrated in Figure 10 below, the workload distribution within the Legal Metrology Division exhibits distinctive trends. Notably, the highest volume of work is dedicated to the verification of Liquid Fuel Dispensers (LFDs), with a total of 4,096 units verified. This is followed by the verification of Mass pieces, accounting for 814 units, and the verification of Scales, which reached 628 units. In contrast, other scopes within Legal Metrology recorded relatively lower work volumes throughout the reviewed period.

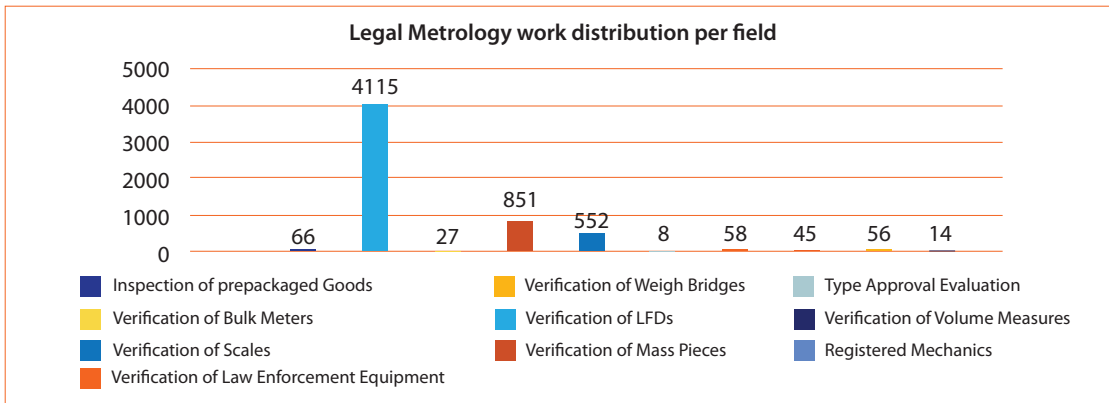


Figure 10: Legal Metrology work distribution per field.

Over the financial years spanning from 2018-2019 to 2022-2023, the Legal Metrology Division experienced a marginal decline in the number of verified instruments. Specifically, a reduction of 261 instruments was observed in the reporting year in comparison to the preceding financial year, a trend visualised in Figure 11 below.

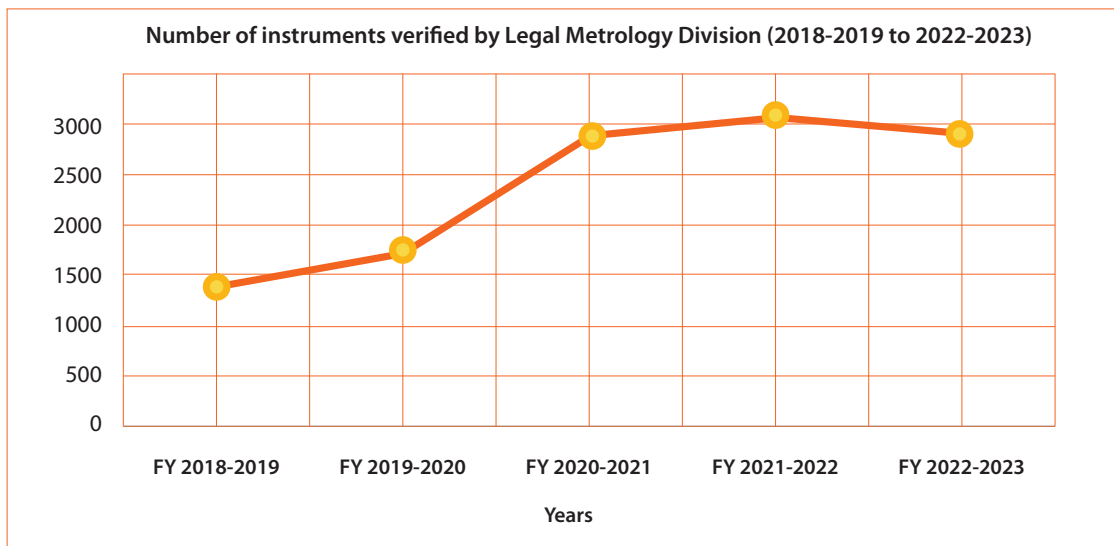


Figure 11: Number of instruments verified by Legal Metrology Division (2018-2019 to 2022-2023).

A comprehensive analysis of the distribution of verified instruments across various Legal Metrology fields during the financial years 2018-2019 to 2022-2023 underscores the consistent dominance of LFDs, Mass pieces and Scales verifications, as prominently depicted in Figure 12 below.

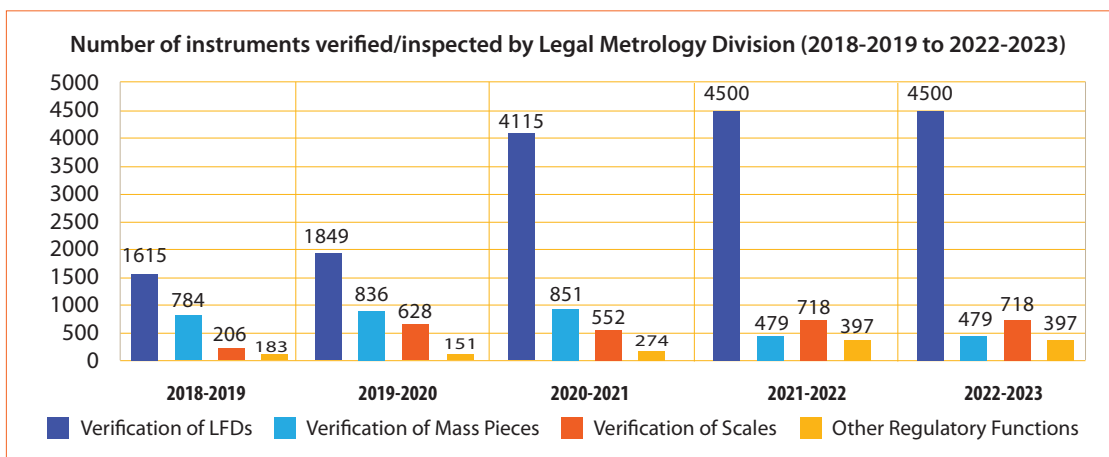


Figure 12: Number of instruments verified/inspected by Legal Metrology Division (2018-2019 to 2022-2023).

Legal Metrology Division (Regulatory Services):

- National type approval of prescribed Measuring instruments;
- Verification of prescribed measuring instruments;
- Inspection services of pre-packed goods offered for sale;
- Registration, Certification and supervision of Mechanics or Technicians;
- Verification of instruments used for safety of lives at sea (SOLAS);
- Verification of instruments used to ensure road safety and law enforcement and;
- Implementation of Quantity Control Scheme for pre-packed products (E-Marking Scheme).

In honour of national and international responsibilities, the following developments are reported for the operational year:

- Enactment of the Metrology Act, 2022, (Act No. 5 of 2022) to expand the Metrology functions beyond trade to cover measurement in Health, Safety and the Environment, as well as re-addressing the widened gap on legal units of measurement in Namibian legislation, particularly on traceability and measuring equipment related to consumer protection and conformity assessment.
- Publishing of NAMS SADMEL Document 1:2022 in order to meet the national need on labelling requirements for pre-packed products and general requirements for the sale of goods.
- Publishing of NAMS SADCMEI Document 4:2022 to address tolerances permitted for the accuracy of measurements made in terms of Legal Metrology legislation including the measurement of goods when pre-packaged or when measured at the time of sale or in pursuance of a sale, and requirements for the inspection of pre-packages.
- Approval of SANS 1841 submission for adoption in order to control the quantity of contents in pre-packed packages within the prescriptions of Legal Metrology legislation (standard development under progress).
- Demonstrating national equivalence through maintenance of Calibration and Measurement Capabilities (CMCs).
- Harmonisation of Regional and International Metrology activities by continuous participation in yearly SADC MET, SADC MEL, SADC SQAM and AFRIMETS Cooperation structures meetings.
- Collaboration with the European Union (EU) twinning project in order to boost the NSI's capacity to carry out its mandate, increasing participation in international trade agreements, addressing technical trade barriers and enhancing economic growth through the Economic Partnership Agreement (EPA) implementation plan.

The Metrology Department's staff complement is comprised of a Head of Metrology, Section Head: S&I Metrology Acting Section Head: Legal Metrology, two (2) Scientific and Industrial Metrologists, four (4) Inspection and Verification Officers, Technical Assistant as well as administrative and support staff.





# 12

## Certification Report



The NSI Certification Department was established in line with Section 23 of the Standards Act, 2005, (Act No. 18 of 2005), and operates as a Certification Body (CB) in accordance with the requirements of the ISO/IEC 17021-1, ISO/IEC 17021-3, ISO/TS 22003, ISO/IEC 17067 and ISO/IEC 17065 Standards.

It provides independent third-party certification services of whether an organisation's management system meets the requirements specified by applicable management system standards (e.g. ISO 9001, ISO 22000, NAMS/SANS 10330), or whether products meet the requirements of specific product standards. Certification can be a useful tool for adding quality and credibility, by demonstrating that a product or service meets companies' expectations.

The Certification Body provides a platform to enhance the quality of Namibian products and services which will in turn facilitate trade and ensure the competitiveness of Namibian products and services both locally and internationally. For cement and alcohol-based hand sanitiser, product standards are made compulsory by the relevant regulators under various considerations of public interest, protection of human, animal or plant health, prevention of unfair trade practices and the safety of the environment. The Ministry of Industrialisation and Trade has appointed the NSI as an inspection authority for cement and alcohol-based hand sanitiser, and products approved through the Standard Mark of Conformity.

The Certification Body will continue to focus its activities through enhancing customer value, and provide a service that inspires confidence to all the parties that have interest in certification. In its effort to support SMEs, the Certification Body continues to implement the Good Manufacturing Practices (GMP) scheme for the Food Handling Organisation (FHO), to elevate the SMEs' ability to access the markets.

Namibian goods and services that meet the requirements of the applicable Namibian and/or International standards are issued with a Certificate of Conformity and awarded with the license to use the NSI Mark of Conformity. The Mark of Conformity informs consumers that a product or service has been assessed by the NSI and found to conform to the requirements specified in the applicable standard, e.g. product and/or management system standard.

### Products and services

- Management system certification to ISO 9001:2015, ISO 22000 & NAMS/SANS 10330;
- Standard Mark Certification Scheme;
- Enforcement of the Alcohol-based Hand Sanitisers Regulations, effective 30<sup>th</sup> April 2021;
- Enforcement of the Cement Regulations, effective 12<sup>th</sup> May 2020;
- Import product verification scheme; and
- Good Manufacturing Practices for Food Handling Organisation.

### Performance highlights

- The Certification Body has managed to maintain accreditation scope of Quality Management Systems to ISO/IEC 17021- 1:2005 and ISO/IEC 17021-3:2017 (Certification to ISO 9001:2015), Assessment for Certification to ISO 9001:2015.
- The Accreditation Approvals Committee gave approval for the extension of accreditation to include the following sub-scope:
  - Paper products - International Accreditation Forum (IAF) Code 7);
  - Printing companies (IAF Code 9); and
  - Rubber and plastic products (IAF Code 14).
- Additionally, the Accreditation Approvals Committee has given approval for the extension of accreditation to include the following scope to cover:
  - ISO 22000:2018 - Processing of perishable animal products – Category 1 and;
  - HACCP (NAMS/SANS 10330:2020) - Processing of ambient stable products – Category 4.
- The body achieved an average customer satisfaction rating of 89% above the target of 80%.

### Challenges

- Certification is voluntary, with the exception of the two regulated products.
- The Certification Body only offers two management system schemes (Quality Management System and Food Safety Systems).
- Lack of stakeholder engagement.
- Lack of legal framework for the implementation of Technical Regulations.
- Slow in advancement of technological development of core processes to improve efficiency in servicing our clients.
- Not meeting customer demands due to budgetary constraints.

### New Initiatives in the New Year

- Implement the ISO 45001 Certification scheme by March 2023
- Implement the ISO 14001 Certification scheme by March 2023.

# 13

## Corporate Finance, Asset Management and ICT Report

The Corporate Finance, Asset Management & Information and Communication Technology (ICT) Department provides support to the core function of the NSI through the provision of resources and services including Financial, Procurement, Asset Management and ICT.

**FINANCE AND PROCUREMENT UNIT**

The Finance and Procurement Unit is responsible for financial management and ensuring accurate and timeous financial reporting to facilitate strategic financial decisions. The other key roles of the unit include management of working capital, implementation of internal control systems and procurement services. During the period under review, the NSI was exposed to tough trading conditions characterised by low economic activity attributable to business disruptions caused by the aftermath of the COVID-19 pandemic. This was compounded by a decline in Government funding due to the prevailing weakened fiscal position.

**FINANCE OVERVIEW**

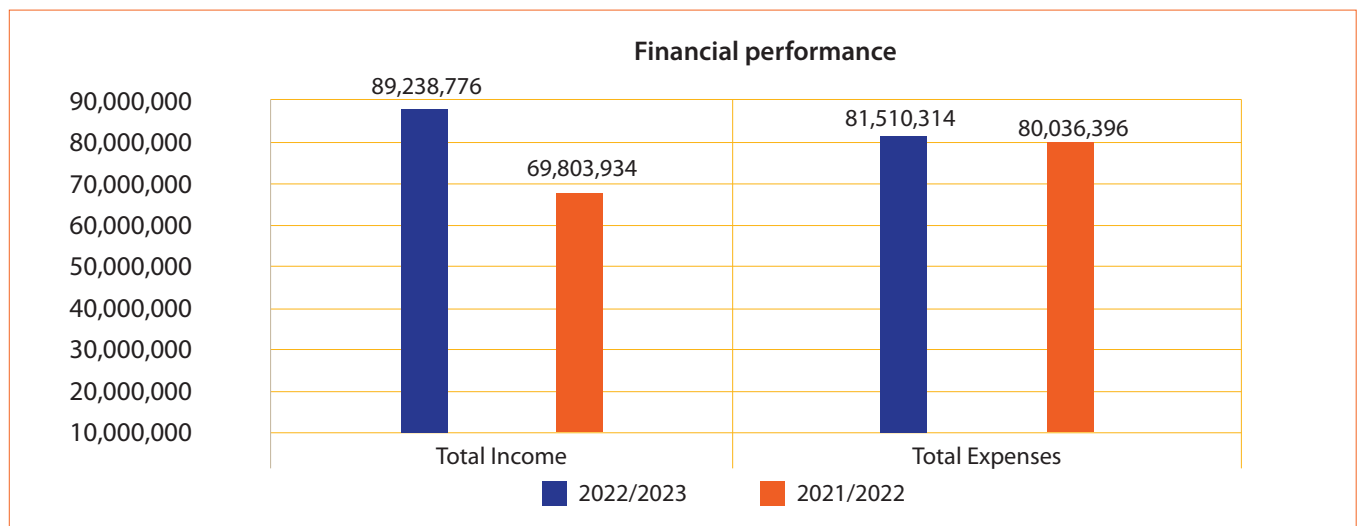
For the financial year ended 31 March 2023, the Institution recorded an operational profit of N\$4.6 million compared to the N\$13.6 million operating net loss recorded the previous year, resulting in an accumulated loss of N\$59.2 million. The accumulated loss for 2021/2022 was N\$70.2 million. Figure 13 below indicates the total income of the NSI against the expenses for the year under review. The improvement in the financial position was mainly attributable to an increase in the performance in internally generated income, increase in Government grant and a slight increase of administrative and operating costs compared to financial year 2021/2022.

In the period under review current liabilities exceeded the current assets by N\$59.2 million. The External Auditors’ report observed that there was a significant audit matter relating to the ‘going concern’ of the Institution that required appropriate assessment by the management and the NSC. Management was requested to continuously update the assessment of going concern, so that the Institution can be self-sustaining. Towards this end, Management has developed key initiatives including, among others, the implementation of revenue growth strategy, a robust working capital management plan and the development and implementation of a cost optimisation plan as to ensure the sustainability of the Institution.

**Some of the initiative implemented by management includes to ensure sustainability are:**

- SADC European Union (EU) funded Twinning Project titled “Support to the Namibian Standards Institution” which commenced on 01 February 2022 with the objective of boosting NSI’s capacity to carry out its mandate, increasing Namibian participation in International Trade Agreements, addressing technical trade barriers and enhancing economic growth;
- Negotiated with the Ministry of Mines and Energy for the implementation of the petrochemical laboratory.

Total income for 2022/23, including the Government grant, was N\$89.2 million compared to N\$69.8 million in 2021/22. Total expenses for the year increased from N\$80 million to N\$81.5 million during 2022/23. This is depicted in Figure 13 below.



**Figure 13:** Financial Performance.

**SOURCES OF INCOME**

**Government grant**

The grant received from Government during the reporting period was N\$33.7 million (2022: N\$18 million), which represent an increase of 87% year on year. The NSI has over the years experienced a drastic decline in government funding, while operations and administrative costs have contributed to accumulated losses, as costs continue to increase due to inflationary pressure, socio economic factors, monetary policy tightening globally and high costs of key import items.

### Own Income vs Government Grant

#### Internally generated revenues

Sources of self-generated revenues include laboratory services, certification services, training and sale of standards as well as inspections. Total own income increased from N\$46 million to N\$50 million for the 2022/23, as shown in Figure 14 below.

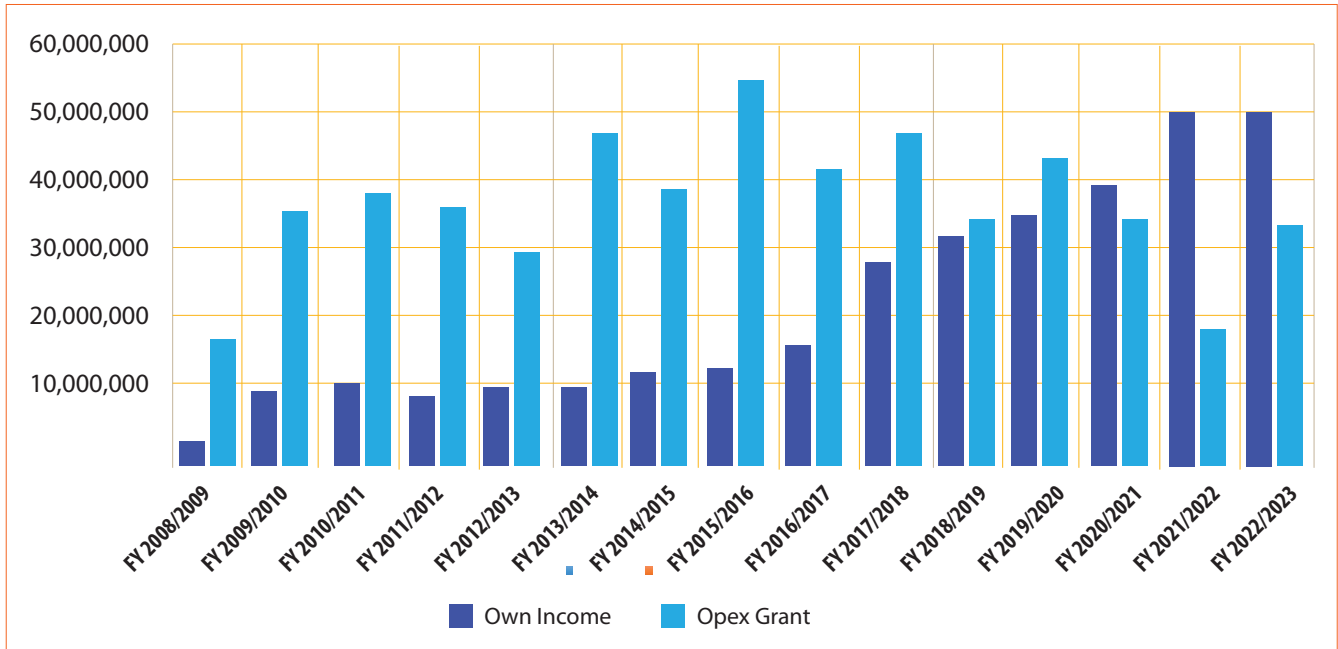


Figure 14: Own Income vs Government Grant.

Metrology income increased to N\$19 million (2022: N\$16.8 million). The increases are attributed to the revised pricing model and an increase in the number of LFD verifications nationwide. Testing also recorded an increase of 11% or N\$966 779. The increase is constrained by aging equipment resulting in the increase in outsourcing of services. Management is in the process of ensuring that regulatory framework is put in place to increase regulated products for certification in order to optimise revenue which is N\$1 134 154 for the year under review.

The Metrology Department recorded significant growth of 13% in revenues attributable to the empowerment of the department by the enactment of the Metrology Act 5 of 2022. The Revenue Generation and Cost Optimisation Strategy yielded the desired results and management will continue to apply prudent financial principals as to ensure the Institution continues to be sustainable.

It has become increasingly imperative for the NSI to avoid overdependence on the Government grant, while at the same time identifying opportunities to reduce financial losses and achieve financial sustainability. It is against this background that the NSI had to chart a new course through formulating a turnaround strategy by exploring revenue diversification strategies and a prudent cost management plan, as depicted in Figure 15 below.

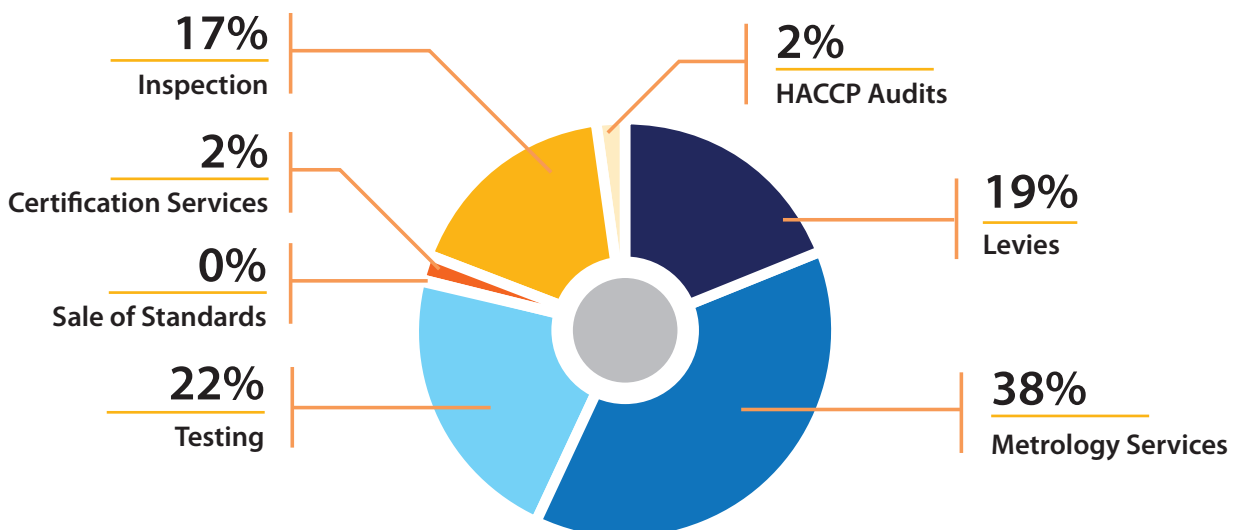


Figure 15: Internal Generated Revenue Stream.

## Financial Sustainability

The NSI conducts its operations in a sound manner to achieve positive financial results, to ensure financial sustainability by continuously managing its limited financial resources to meet current needs and develop plans for future goals and long-term needs.

The NSI has developed and implemented the revenue generation strategy as well as the cost optimisation plan to eliminate non-value adding costs whilst diversifying revenue opportunities and plugging revenue leakages.

Management is confident that the Institution will continue to grow and meet its vision of "Providing standardisation and conformity assessment services to ensure the health and safety of consumers, protection of the environment and promotion of trade", while at the same time ensuring financial sustainability.

## Property, Plant and Equipment

A reduction of N\$4.5 million was recorded in the value of the NSI property, plant and equipment, recording N\$103.5 million in the year under review compared to N\$108 million the previous year (2022). The NSI Management has embarked on a property acquisition strategy that will see the Institution acquire the rented property in the attempt to reduce rental costs as well as reduce the gearing of the Institution. This is expected to be finalised in the financial year 2023/2024.

## Outlook

The Strategy 2022/23 to 2026/27 is anchored on the theme "*Enhancing NSI Value and Financial Sustainability*". The NSI aims to elevate its position in the industry by strengthening its relevance in the quality environment over the next 5 years. This, alongside with the objective "*to be the implementation arm of the regulations*" brings out the economic value of the NSI. The Institution plays a crucial role in driving the Gross Domestic Product (GDP) and the Growth at Home Strategy. The grand strategy is focused on ensuring that the NSI becomes financially sustainable and in addressing current going concern threats in search of long-term viability.

It is envisaged that the new strategy will provide an upward trajectory in the performance of the Institution through the implementation of a new operating model aimed to shift the NSI from over-dependence on Government funding towards self-sustainability as well as reposition Institution to become commercially viable. The strategy is also aimed at supporting Government objectives of SMME development, export growth and private sector support as well as alignment of the NSI services with the National Development Objectives (such as the Harambee Prosperity Plan 2 and NDP4).

## ICT DIVISION

The responsibility of the ICT Department is to ensure that the Institution achieves its strategic objectives through the implementation of efficient and cost-effective information technology platforms. The NSI has developed a comprehensive Information Technology (IT) Strategy for the period 2022 to 2023.

### The benefits of the IT strategy are:

- To support the corporate strategy in leveraging the use of IT for high impact delivery on the Institution mandate.
- To implement best IT practices in processes, technology, and governance.
- To improve and enhance the operations of the NSI through efficient use of IT, thus enabling the NSI to be more adaptive to the ever-changing information technology environment.
- To ensure appropriate hardware and software acquisition for the implementation of the NSI strategy.



# 14

## Annual Financial Statements





Republic of Namibia



## OFFICE OF THE AUDITOR-GENERAL

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### AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS OF THE NAMIBIAN STANDARDS INSTITUTION FOR THE YEAR ENDED 31 MARCH 2023

The documentation as compiled by the firm BDO which is registered in terms of the Public Accountant's and Auditor's Act, 1951, who was appointed by the Board Members of the Namibian Standards Institution, has been examined by Officials of the Office of the Auditor-General.

In terms of Section 19 (1) of the Standards Act, 2005 (Act 18 of 2005) I certify that the above-mentioned audit of the annual financial statements for the year ended 31 March 2023 has been carried out to my satisfaction.

WINDHOEK, October 2023

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



**Namibian Standards Institution**

Annual Financial Statements For The Year Ended 31 March 2023

**General Information**

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Promotion of standardisation and quality assurance in the industry, commerce and public sector in Namibia with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general.
NSC Members	Dr. Eino Mvula Mr. Paul Kalenga Ms. Matilda Jankie-Shakwa Mr. Vincent Nowaseb Mr. Lloyd Londt Ms. Monica Nehemia Mr. Thaddeus Shigwedha
Business address	37 Feld Street Windhoek Namibia
Postal address	P.O. Box 26364 Windhoek Namibia
Bankers	First National Bank of Namibia Limited Bank Windhoek Namibia
Auditors	BDO Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Mukuao Kaune

## Contents

	<b>Page</b>
Members' Responsibilities and Approval	52
Independent Auditor's Report	53- 55
Members' Report	56 - 57
Statement of Financial Position	58
Statement of Profit or Loss and Other Comprehensive Income	59
Statement of Changes in Equity	60
Statement of Cash Flows	61
Accounting Policies	62 - 69
Notes to the Annual Financial Statements	70 - 88
The following supplementary information does not form part of the annual financial statements and is unaudited: Detailed	
Statement of Profit or Loss and Other Comprehensive Income	89 - 90

**Namibian Standards Institution**

Annual Financial Statements For The Year Ended 31 March 2023

**Members' Responsibilities and Approval**

The Namibia Standards Council (NSC) members are required in terms of the Standards Act, No 18 of 2005 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Namibian Standards Institution ("NSI") as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS"). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The NSC members acknowledge that they are ultimately responsible for the system of internal financial control established by the NSI and place considerable importance on maintaining a strong control environment. To enable the NSC members to meet these responsibilities, the TSC members set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the NSI and all employees are required to maintain the highest ethical standards in ensuring the NSI's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the NSI. While operating risk cannot be fully eliminated, it endeavours to minimise such risks by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The NSC members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

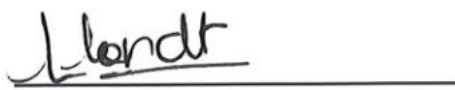
The NSC members have reviewed the NSI's cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, they are in negotiation with the shareholder to acquire adequate resources to continue with the operational existence of the NSI for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the NSI's annual financial statements. The annual financial statements have been examined by the external auditors and their report is presented on pages 52 to 54.

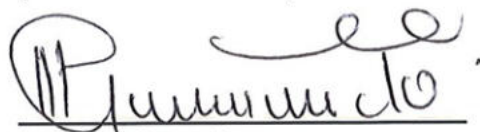
The annual financial statements set out on pages 55 to 87, which have been prepared on the going concern basis, were approved by the NSC members on 27 September 2023 and were signed on their behalf by:



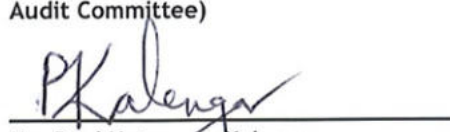
Dr Eino Mvula  
(Chief Executive Officer)



Mr. Lloyd Londt  
(Chairperson of Finance, Risk Management and  
Audit Committee)



Mr. Josef Alweendo  
(Acting: Chief Financial Officer)



Mr. Paul Natangwe Kalenga  
(Chairperson: NSC)

## Independent Auditors' Report



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Namibia

### To the NSC members of Namibian Standards Institution Opinion

We have audited the annual financial statements of Namibian Standards Institution ("the NSI") set out on pages 55 to 87, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies and members' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of NSI as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Standards Act, No 18 of 2005.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the NSI in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 23 to the annual financial statements, which indicated that the NSI incurred a net profit for the year of N\$ 4,649,044 (2022: N\$ (13,585,924)) and had accumulated losses of N\$ 59,240,337 (2022: N\$ 70,238,381) and its total liabilities exceed its total assets by N\$ 59,240,337 (2022: N\$ 70,238,381) and its total current liabilities exceed its current assets by N\$ 31,186,194 (2022: N\$ 38,345,674). Furthermore, we draw attention to note 24 which states that NSI has accumulated PAYE debt of N\$ 29,949,277 (2022: N\$ 21,792,794) (excluding interest and penalties) since 2019 due to cashflow constraints, and that the going concern of the institution is primarily dependent on the events described in notes 23 and 24 of the annual financial statements.

These events or conditions, along with other matters as set forth in notes 23 and 24, indicate that a material uncertainty exists that may cast significant doubt on the Institution's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

The NSC members are responsible for the other information. The other information comprises the detailed statement of profit and loss and other comprehensive income, which we obtained prior to the date of this auditor's report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

**Namibian Standards Institution**

Annual Financial Statements For The Year Ended 31 March 2023

**Independent Auditors' Report**

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In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the NSC members for the Annual Financial Statements**

The NSC members are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the NSC members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the NSC members are responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the NSC members either intend to liquidate the Institution or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the NSC members.
- Conclude on the appropriateness of the NSC members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

## Independent Auditors' Report



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- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the NSC members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO

BDO Namibia

Registered Accountants and Auditors Chartered Accountants (Namibia)

Per: M Nel Partner

Windhoek

28 September 2023

## Namibian Standards Institution

### Annual Financial Statements For The Year Ended 31 March 2023

## Members' Report

The NSC members hereby submit their report on the annual financial statements of Namibian Standards Institution for the year ended 31 March 2023.

### 1. Nature of business

Namibian Standards Institution is engaged in the promotion of standardisation and quality assurance to the industry, commerce and public sector in Namibia with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general.

The mandate of the NSI is stipulated in the Standards Act (Act No.18 of 2005) as well as in the Trade Metrology Act (Act No.77 of 1973 as amended).

There have been no material changes to the nature of the NSI's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS and the requirements of the Standards Act, No 18 of 2005. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows are set out in these annual financial statements.

### 3. Members

The NSC members in office at the date of this report are as follows:

Member	Office	Nationality	Changes
Eino Mvula	Chief Executive Officer (Member Ex - Officio)	Namibian	Appointed, 1 July 2023
Concepcion Wasserfall	Chief Executive Officer (Member Ex - Officio)	Namibian	Resigned, 31 December 2022
Paul Kalenga	Chairperson	Namibian	Appointed, 1 September 2022
Matilda Jankie-Shakwa	Chairperson of HRCC	Namibian	Appointed, 1 September 2022
Vincent Nowaseb	Chairperson of Technical Committee	Namibian	Appointed, 1 September 2022
Lloyd Londt	Chairperson of Finance, Risk Management and Audit Committee	Namibian	Appointed, 1 September 2022
Monica Nehemia	Member	Namibian	Appointed, 1 September 2022
Thaddeus Shigwedha	Member	Namibian	Appointed, 1 September 2022
Mukuao Kaune	Acting Legal Advisor and Company Secretary	Namibian	Appointed, 1 October 2023
Cynthia Anyanwu	Legal Advisor and Company Secretary	Namibian	Resigned, 30 September 2023

### 4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment or in the policy regarding their use.

At 31 March 2023, the NSI's investment in plant and equipment amounted to N\$103,495,670 (2022: N\$ 107,979,823), of which N\$761,858 (2022: N\$ 7,681,024) was added in the current year through additions.

### 5. Events after the reporting period

The NSI successfully negotiated for a payment plan with NAMRA on 20 June 2023 to settle the outstanding PAYE debt by making a total initial capital debt payment of N\$ 7,403,085.11 (VAT of N\$ 1,728,480.94 and PAYE of N\$ 5,674,604.17) which was paid on 17 May 2023 and 01 June 2023. A further payment of N\$ 3,197,075.34 for PAYE and N\$ 813,633.53 for VAT were made between July and August 2023. The remaining PAYE debt will be paid in installments of N\$ 1,596,369 over 16 months commencing 01 July 2023.

To date, the Institution has settled PAYE and VAT liabilities of N\$ 8,871,679.51 and N\$ 2,542,114.47 respectively. Both payments relate to the liability at the end of current financial year.

Chie Wasserfall's tenure as NSI Chief Executive Officer ended in December 2022 following her retirement. Subsequently the position was filled by Eino Mvula effective 01 July 2023. The NSI Legal Advisor and Company Secretary, Cynthia Anyanwu resigned as of 30th September 2023 and the function is performed under an acting capacity appointment of Mukuao Kaune.

The members are not aware of any other material event which occurred after the reporting date and up to the date of this report.

## Members' Report

### 6. Going concern

We draw attention to the fact that at 31 March 2023, the NSI incurred a net profit for the year of N\$ 4,649,044 (2022:

N\$ (13,585,924 net loss)) and had accumulated losses of N\$ 59,240,337 (2022: N\$ (70,238,381)) and its total liabilities exceed its assets by N\$ 59,240,337 (2022: N\$ 70,238,381) and its total current liabilities exceed its current assets by N\$ 31,186,194 (2022: N\$ 38,345,674). Furthermore, we draw attention to Note 10 of the annual financial statements which states that NSI has accumulated PAYE debt of N\$ 29,949,277 (2022: N\$ 21,792,794) (excluding interest and penalties) since 2019 due to cashflow constraints.

In view of the above conditions, the board has performed a formal review of the NSI's results and its ability to continue trading as a going concern in the foreseeable future and have concluded that the going concern of NSI is highly dependent on the following factors:

Securing future Government funding for the continuation of NSI's operations and settlement of NSI's obligations in the normal course of business.

The Standards Act, No. 18 of 2005 outlines the critical legislated functions of the NSI with respect to the development, promotion and maintenance of Namibian Standards and the rendering of conformity assessment services.

It is the view of the board that since these are legislated functions, there is no intention by Government to cease the operations of the NSI in the near future. The Government of the Republic of Namibia (GRN) is committed to supporting the functions of the NSI and in furtherance to this commitment the Ministry of Industrialization and Trade.

Successful implementation of the following action plans:

- Successfully implement the SADC European Union (EU) funded Twinning Project titled "Support to the Namibian Standards Institution" which commenced on 01 February 2022 with the objective of boosting NSI's capacity to carry out its mandate, increasing Namibian participation in International Trade agreement, addressing technical trade barriers and enhancing economic growth;
- Successfully negotiate with the Ministry of Mines and Energy for the implementation of the petrochemical laboratory; and
- Successfully adhere to the payment plan as negotiated and agreed with NAMRA on PAYE and VAT debt and the subsequent waiving of the interest and penalties as per the tax incentive program.

The annual financial statements of the NSI have been prepared on the basis of accounting applicable to a going concern.

### 7. Secretary

The NSI's secretary is Ms. Cynthia Anyanwu.

### 8. Auditors

BDO Namibia are the NSI's auditors for financial year 2022/23.

### 9. Outstanding taxes and contingent liabilities

NSI owes Namibia Revenue Agency (NAMRA) PAYE to the total of N\$ 29,949,277 (2022: N\$ 21,792,794) (excluding interest and penalties) as at 31 March 2023 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N\$ 11,267,453 (2022: N\$ 7,552,293) and penalties of N\$ 30,056,286 (2022: N\$ 23,971,997) as liabilities in its accounting records, as NSI was in negotiations with NAMRA for the 100% waiver of the interest and penalties at 31 March 2023. NSI successfully negotiated for a payment plan with NAMRA on 20 June 2023 to settle the outstanding PAYE debt by making an initial capital debt payment of N\$ 7,403,085.11 (VAT of N\$ 1,728,480.94 and PAYE of N\$ 5,674,604.17) which was paid on 17 May 2023 and 01 June 2023. A further payment of N\$ 3,197,075.34 for PAYE and N\$ 813,633.53 for VAT were made between July and August 2023. The remaining PAYE debt will be paid in installments of N\$ 1,596,369 over 16 months commencing 01 July 2023. The waiver of the interest and penalties will be done by NAMRA after full settlement of the outstanding balance.

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

**Statement of Financial Position as at 31 March 2023**

Figures in Namibian Dollar	Note(s)	2023	2022
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	3	103,495,670	107,979,823
Right-of-use assets	4	288,486	576,972
		<b>103,784,156</b>	<b>108,556,795</b>
Current Assets			
Inventories	5	3,001,931	1,287,993
Trade and other receivables	6	18,775,671	13,220,822
Cash and cash equivalents	7	3,573,754	245,260
		25,351,356	14,754,075
<b>Total Assets</b>		<b>129,135,512</b>	<b>123,310,870</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated loss		(59,240,337)	(70,238,381)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans and borrowings	8	17,073,262	18,113,420
Lease liabilities	4	-	440,232
Post retirement medical aid benefit liability	11	15,066,000	17,780,000
Deferred income	9	99,699,037	104,115,850
		<b>131,838,299</b>	<b>140,449,502</b>
<b>Current Liabilities</b>			
Trade and other payables	10	46,084,051	41,992,380
Loans and borrowings	8	1,129,500	1,233,254
Lease liabilities	4	440,232	351,146
Deferred income	9	4,375,484	4,334,155
Provisions	12	4,508,283	5,188,814
		56,537,550	53,099,749
<b>Total Liabilities</b>		<b>188,375,849</b>	<b>193,549,251</b>
<b>Total Equity and Liabilities</b>		<b>129,135,512</b>	<b>123,310,870</b>

## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibian Dollar	Note(s)	2023	2022
Revenue	13	50,081,174	46,598,198
Other operating income	14	5,656,548	5,129,081
Government grants	14	33,675,760	18,000,000
Other operating gains	15	(174,706)	76,655
Other operating expenses	16	(81,510,314)	(80,036,396)
<b>Operating profit / (loss)</b>	<b>16</b>	<b>7,728,462</b>	<b>(10,232,462)</b>
Investment income	17	1,033,477	553,129
Finance costs	18	(4,112,895)	(3,906,591)
<b>Profit / (loss) for the year</b>		<b>4,649,044</b>	<b>(13,585,924)</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss:			
Remeasurements on net defined benefit liability		6,349,000	(2,499,000)
Other comprehensive income / (loss) for the year	19	6,349,000	(2,499,000)
<b>Total comprehensive income / (loss) for the year</b>		<b>10,998,044</b>	<b>(16,084,924)</b>

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Statement of Changes in Equity

Figures in Namibian Dollar	Accumulated loss	Total equity
<b>Balance at 1 April 2021</b>	<b>(54,153,457)</b>	<b>(54,153,457)</b>
Loss for the year	(13,585,924)	(13,585,924)
Other comprehensive income	(2,499,000)	(2,499,000)
<b>Total comprehensive loss for the year</b>	<b>(16,084,924)</b>	<b>(16,084,924)</b>
<b>Balance at 1 April 2022</b>	<b>(70,238,381)</b>	<b>(70,238,381)</b>
Profit for the year	4,649,044	4,649,044
Other comprehensive income	6,349,000	6,349,000
<b>Total comprehensive income for the year</b>	<b>10,998,044</b>	<b>10,998,044</b>
<b>Balance at 31 March 2023</b>	<b>(59,240,337)</b>	<b>(59,240,337)</b>
Note(s)		

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Statement of Cash Flows

Figures in Namibian Dollar	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	8,590,839	11,902,122
Interest income		1,033,477	553,129
Finance costs		(4,112,895)	(3,906,591)
<b>Net cash from operating activities</b>		<b>5,511,421</b>	<b>8,548,660</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	3	(761,858)	(7,681,024)
Proceeds on disposal of property, plant and equipment		73,989	18,900
<b>Net cash utilised in investing activities</b>		<b>(687,869)</b>	<b>(7,662,124)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(1,143,912)	(902,640)
Repayment of lease liabilities		(351,146)	(275,959)
<b>Net cash utilised in financing activities</b>		<b>(1,495,058)</b>	<b>(1,178,599)</b>
<b>Total cash movement for the year</b>		<b>3,328,494</b>	<b>(292,063)</b>
Cash and cash equivalents at the beginning of the year		245,260	537,323
<b>Total cash and cash equivalents at end of the year</b>	<b>7</b>	<b>3,573,754</b>	<b>245,260</b>

## Accounting Policies

### 1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Standards Act, No 18 of 2005.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the NSI's functional currency.

These accounting policies are consistent with the previous period.

#### 1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The NSI uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the NSI's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

#### Impairment testing of non-financial assets

The NSI reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value less cost to sell calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

#### Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

#### Post retirement medical aid liability benefit

The Institution provides post-employment benefits by way of a medical aid scheme to all employees who joined the Institution. 65% of total contributions are paid by the Institution towards the medical scheme when certain qualifying employees become redundant, disabled or when an employee retires at the age of 60.

Payments to retirement benefit plans are charged as an expense as they fall due.

The valuation of the post-retirement medical aid liability is based on the net discount rate of 3.33% (2022: 2.5%). This is based on the assumption that future medical aid contribution will increase by 9.80% (2022: 9.13%).

## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

### Accounting Policies

#### 1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the NSI holds for its own use or for rental to others and which are expected to be used for more than one (1) year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the NSI, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the NSI and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment, except for land which is not depreciated.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the NSI. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	2 years
IT equipment	Straight line	3 years
Laboratory equipment	Straight line	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.4 Financial instruments

Financial instruments held by the NSI are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the NSI, as applicable, are as follows:

## Accounting Policies

### 1.4 Financial instruments (continued)

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the NSI are presented below:

#### Trade and other receivables

##### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the NSI's business model is to collect the contractual cash flows on trade and other receivables.

##### Recognition and measurement

Trade and other receivables are recognised when the NSI becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

##### Impairment

The NSI recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The NSI measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

##### Measurement and recognition of expected credit losses

The NSI makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 16).

## Accounting Policies

### 1.4 Financial instruments (continued)

#### Trade and other payables

##### Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the NSI becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the NSI to liquidity risk and possibly to interest rate risk.

#### Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (note 15).

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to approximate the fair value.

### 1.5 Leases

The NSI assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the NSI has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

**Namibian Standards Institution**

Annual Financial Statements For The Year Ended 31 March 2023

**Accounting Policies****1.5 Leases (continued)****NSI as lessee**

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the NSI is a lessee, except for short-term leases of twelve (12) months or less, or leases of low value assets. For these leases, the NSI recognises the lease payments as an operating expense (note 16) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the NSI is a lessee are presented in note 4 Leases (NSI as lessee).

**Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the NSI uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the NSI under residual value guarantees;
- the exercise price of purchase options, if the NSI is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the NSI is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18).

**Namibian Standards Institution**

Annual Financial Statements For The Year Ended 31 March 2023

**Accounting Policies****1.5 Leases (continued)****Right-of-use assets**

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the NSI incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the NSI expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

**1.6 Inventories**

Inventories comprise of the consumable materials used in the operations of the NSI. Inventories are measured at the lower of cost and on the Weighted Average Cost (WAC) basis.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are used, the carrying amount of those inventories are recognised as an expense in the period in which the item was used. The inventory is not written-down to net realisable value as it is not held for sale. Impairment due to damage and/or expiry of inventories are recognised as an expense in the period the write-down or loss occurs. Inventory is not revalued.

**1.7 Impairment of non-financial assets**

The NSI assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the NSI estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the NSI also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

**Namibian Standards Institution**

Annual Financial Statements For The Year Ended 31 March 2023

**Accounting Policies****1.7 Impairment of non-financial assets (continued)**

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The NSI assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**1.8 Employee benefits****Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

**Defined benefit plans**

For defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the NSI is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

## Accounting Policies

### 1.9 Provisions and contingencies

Provisions are recognised when:

- the NSI has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the NSI settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If the NSI has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

### 1.10 Government grants

Government grants are recognised when there is reasonable assurance that: the NSI will comply with the conditions attaching to them; and the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the NSI with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

### 1.11 Revenue from contracts with customers

The NSI recognises revenue from the following major sources:

- Sales of Standards
- Inspection and certification
- Testing services
- Metrology services
- Levies

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties such as Value Added Tax (VAT). The NSI recognises revenue when it transfers control of a service to a customer.

### 1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

### Figures in Namibian Dollar

2023

2022

## 2. New Standards and Interpretations

### 2.1 Standards and interpretations not yet effective

The NSI has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the NSI's accounting periods beginning on or after 1 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023	Unlikely there will be a material impact
Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact

## 3. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	1,776,252	-	1,776,252	1,776,252	-	1,776,252
Buildings	113,181,732	(16,777,327)	96,404,405	113,863,468	(14,515,728)	99,347,740
Furniture and fixtures	4,190,533	(3,171,084)	1,019,449	4,172,277	(2,986,421)	1,185,856
Motor vehicles	5,181,845	(4,276,036)	905,809	5,181,845	(4,244,522)	937,323
Office equipment	912,230	(858,138)	54,092	912,230	(847,510)	64,720
IT equipment	10,336,502	(7,431,940)	2,904,562	10,067,927	(5,781,533)	4,286,394
Laboratory equipment	11,984,875	(11,553,774)	431,101	11,722,656	(11,341,118)	381,538
<b>Total</b>	<b>147,563,969</b>	<b>(44,068,299)</b>	<b>103,495,670</b>	<b>147,696,655</b>	<b>(39,716,832)</b>	<b>107,979,823</b>

## Notes to the Annual Financial Statements

Figures in Namibian Dollar

2023

2022

### 3. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment

	Land	Buildings	Furniture & fixtures	Motor vehicles	Office equipment	IT equipment	Laboratory equipment	Assets Under Construction	Total
Cost									
At 1 April 2021	1,776,252	71,254,939	3,580,558	5,181,845	897,230	5,394,522	13,129,882	40,198,174	141,413,402
Additions	-	-	-	-	15,000	2,239,730	-	5,426,294	7,681,024
Disposals and scrappings	-	-	-	-	-	(5,124)	(1,407,226)	-	(1,412,350)
Transfers	-	42,608,529	591,719	-	-	2,438,799	-	(45,624,468)	14,579
<b>At 31 March 2022</b>	<b>1,776,252</b>	<b>113,863,468</b>	<b>4,172,277</b>	<b>5,181,845</b>	<b>912,230</b>	<b>10,067,927</b>	<b>11,722,656</b>		<b>147,696,655</b>
Additions	-	152,673	18,256	-	-	292,594	298,335	-	761,858
Disposals and scrappings	-	-	-	-	-	(24,019)	(36,116)	-	(60,135)
Transfers	-	(834,409)	-	-	-	-	-	-	(834,409)
<b>At 31 March 2023</b>	<b>1,776,252</b>	<b>113,181,732</b>	<b>4,190,533</b>	<b>5,181,845</b>	<b>912,230</b>	<b>10,336,502</b>	<b>11,984,875</b>		<b>147,563,969</b>
Depreciation and impairment									
At 1 April 2021	-	(12,445,423)	(2,810,929)	(3,792,588)	(825,633)	(4,392,274)	(12,527,755)	-	(36,794,602)
Disposals	-	-	-	-	-	3,416	1,186,637	-	1,190,053
Depreciation	-	(2,070,305)	(175,492)	(451,934)	(21,877)	(1,392,675)	-	-	(4,112,283)
<b>At 31 March 2022</b>	<b>-</b>	<b>(14,515,728)</b>	<b>(2,986,421)</b>	<b>(4,244,522)</b>	<b>(847,510)</b>	<b>(5,781,533)</b>	<b>(11,341,118)</b>		<b>(39,716,832)</b>
Disposals	-	-	-	-	-	18,681	18,057	-	36,738
Depreciation	-	(2,261,599)	(184,663)	(31,514)	(10,628)	(1,669,088)	(211,918)	-	(4,369,410)
<b>At 31 March 2023</b>	<b>-</b>	<b>(16,777,327)</b>	<b>(3,171,084)</b>	<b>(4,276,036)</b>	<b>(858,138)</b>	<b>(7,431,940)</b>	<b>(11,534,979)</b>		<b>(44,049,504)</b>
Carrying amount									
Cost	1,776,252	113,863,468	4,172,277	5,181,845	912,230	10,067,927	11,722,656		147,696,655
Accumulated depreciation and impairment	-	(14,515,728)	(2,986,421)	(4,244,522)	(847,510)	(5,781,533)	(11,341,118)		(39,716,832)
<b>At 31 March 2022</b>	<b>1,776,252</b>	<b>99,347,740</b>	<b>1,185,856</b>	<b>937,323</b>	<b>64,720</b>	<b>4,286,394</b>	<b>381,538</b>		<b>107,979,823</b>

## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibian Dollar

2023

2022

## 3. Property, plant and equipment (continued)

	Land	Buildings	Furniture & fixtures	Motor vehicles	Office equipment	IT equipment	Laboratory equipment	Assets Under Construction	Total
Cost	1,776,252	113,181,732	4,190,533	5,181,845	912,230	10,336,502	11,984,875	-	147,563,969
Accumulated depreciation and impairment		(16,777,327)	(3,171,084)	(4,276,036)	(858,138)	(7,431,940)	(11,553,774)	-	(44,068,299)
<b>At 31 March 2023</b>	<b>1,776,252</b>	<b>96,404,405</b>	<b>1,019,449</b>	<b>905,809</b>	<b>54,092</b>	<b>2,904,562</b>	<b>431,101</b>	<b>-</b>	<b>103,495,670</b>

## 4. Leases (NSI as lessee)

The NSI leases various equipment from NASHUA Namibia (Pty) Ltd. The contract is entered onto fixed periods of 5 years, but may be extended. Lease terms are negotiated on an individual basis with their respective terms and conditions. The lease agreement do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Details pertaining to leasing arrangements, where the NSI is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Office equipment	288,486	576,972
------------------	---------	---------

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 16), as well as depreciation which has been capitalised to the cost of other assets.

Office equipment	288,486	576,972
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**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibian Dollar 2023 2022

### 4. Leases (NSI as lessee) (continued)

#### Other disclosures

Interest expense on lease liabilities	110,062	192,962
Short-term leases on property*	1,441,082	1,854,216

\* The council made a resolution in 2021 to purchase the property which they are renting. The rental payments were considered to be short-term, therefore not included in IFRS 16 Right of Use calculation.

#### Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	474,350	412,478
Two to five years	-	474,350
	474,350	886,828
Less finance charges component	(34,118)	(95,450)
	<b>440,232</b>	<b>791,378</b>

#### Non-current liabilities

	-	<b>440,232</b>
<b>Current liabilities</b>	440,232	351,146
	<b>440,232</b>	<b>791,378</b>

### 5. Inventories

Consumable goods	3,001,931	1,287,993
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### 6. Trade and other receivables

#### Financial instruments:

Trade receivables	20,826,070	14,395,998
Loss allowance	(3,595,593)	(1,969,107)
Trade receivables at amortised cost	17,230,477	12,426,891
Deposits	171,244	164,651
	<b>17,401,721</b>	<b>12,591,542</b>

#### Non-financial instruments:

Prepayments	1,373,950	629,280
<b>Total trade and other receivables</b>	<b>18,775,671</b>	<b>13,220,822</b>

Split between non-current and current portions

Current assets	18,775,671	13,220,822
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	17,401,721	12,591,542
Non-financial instruments	1,373,950	629,280
	<b>18,775,671</b>	<b>13,220,822</b>

#### Exposure to credit risk

Trade receivables inherently expose the institution to credit risk, being the risk that the institution will incur financial loss if customers fail to make payments as they fall due.

## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

## 6. Trade and other receivables (continued)

The NSI measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The NSI's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2023	2023	2022	2022
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 28.60% (2022: 40.48%)	5,957,341	922,196	5,827,399	-
Less than 30 days past due: 7.20% (2022: 6.66%)	1,500,247	350,042	959,339	488,722
31 - 60 days past due: 13.30% (2022: 10.90%)	2,770,059	263,285	1,568,856	489,769
61 - 90 days past due: 4.94% (2022: 11.09%)	1,028,003	95,892	1,596,316	218,040
91 - 120 days past due: 45.95% (2022: 30.87%)	9,570,420	1,964,178	4,444,088	772,575
<b>Total</b>	<b>20,826,070</b>	<b>3,595,593</b>	<b>14,395,998</b>	<b>1,969,106</b>

## Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

<b>Opening balance</b>	<b>(1,969,107)</b>	<b>(1,232,342)</b>
Remeasurement of loss allowance	(1,626,486)	(736,764)
<b>Closing balance</b>	<b>(3,595,593)</b>	<b>(1,969,106)</b>

## 7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	11,310	17,000
Bank balances	3,562,444	228,260
	<b>3,573,754</b>	<b>245,260</b>

The carrying amount of cash and cash equivalents approximates the fair value.

## Notes to the Annual Financial Statements

Figures in Namibian Dollar 2023 2022

### 8. Borrowings

Held at amortised cost

Bank Windhoek Limited	17,710,995	18,322,572
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The loan bears interest at 11.75% (2022: 8.75%) and is repayable in 154 monthly installments of N\$ 225,083 (2022: N\$189,207) per month. The loan is secured by 1st CMB over Erf 1053 Windhoek.

The Bank Windhoek loan was used to purchase the NSI head offices property.

Installment sale agreement	491,767	1,024,102
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The loan bears interest at 11.75% (2022: 8.50%) and is repayable over 10 monthly installments of N\$51,812 (2022: N\$50,230) per month.

The loan was used to purchase the NSI's head offices and motor vehicles.

	18,202,762	19,346,674
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Split between non-current and current portions

Non-current liabilities	17,073,262	18,113,420
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Current liabilities	1,129,500	1,233,254
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	18,202,762	19,346,674
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Exposure to liquidity risk

Refer to note 22 Financial instruments and financial risk management for details of liquidity risk exposure and management.

### 9. Deferred income

Non-current liabilities	99,699,037	104,115,850
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Current liabilities	4,375,484	4,334,155
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	104,074,521	108,450,005
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The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the NSI has directly benefited; and unfulfilled conditions and other contingencies attached to government assistance that has been recognised. The funds are treated as deferred income, over the useful life. There are no any other unfulfilled conditions or contingencies attached to these grants.

Deferred income relates to properties constructed using government funding. The liability is systematically written to the income statement as the properties are being depreciated.

### 10. Trade and other payables

Financial instruments:

Trade payables	5,439,404	14,261,466
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Retention fees	-	1,147,354
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PAYE*	29,949,277	21,792,794
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Suspense account/ Unallocated receipts	128,398	32,088
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	35,517,079	37,233,702
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## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

## Figures in Namibian Dollar

2023

2022

## 10. Trade and other payables (continued)

Non-financial instruments:

Amounts received in advance	2,401,809	1,251,686
VAT payable	8,165,163	3,506,992
	<u>10,566,972</u>	<u>4,758,678</u>
	<u>46,084,051</u>	<u>41,992,380</u>
Financial instrument and non-financial instrument components of trade and other payables		
At amortised cost	35,517,078	37,233,702
Non-financial instruments	10,566,972	4,758,678
	<u>46,084,051</u>	<u>41,992,380</u>

NSI owes Namibia Revenue Agency (NAMRA) PAYE to the total of N\$ 29,949,277 (2022: N\$ 21,792,794) (excluding interest and penalties) as at 31 March 2023 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N\$ 11,267,453 (2022: N\$ 7,552,293) and penalties of N\$ 30,056,286 (2022: N\$ 23,971,997) as liabilities in its accounting records, as NSI was in negotiations with NAMRA for the 100% waiver of the interest and penalties at 31 March 2023. NSI successfully negotiated for a payment plan with NAMRA on 20 June 2023 to settle the outstanding PAYE debt by making an initial capital debt payment of N\$ 7,403,085.11 (VAT of N\$ 1,728,480.94 and PAYE of N\$ 5,674,604.17) which was paid on 17 May 2023 and 01 June 2023. A further payment of N\$ 3,197,075.34 for PAYE and N\$ 813,633.53 for VAT were made between July and August 2023. The remaining PAYE debt will be paid in installments of N\$ 1,596,369 over 16 months commencing 01 July 2023. The waiver of the interest and penalties will be done by NAMRA after full settlement of the outstanding balance.

The carrying amount of trade and other payables approximates their fair value.

## 11. Retirement benefits

## Defined benefit plan

The NSI provides post-employment benefits by way of a medical scheme to all employees who joined the NSI prior to 31 July 2019. For the 2023 financial year the total contribution by the NSI was N\$ 152,000 (2022: N\$ 138,000).

The NSI pays 65% of total contribution towards the medical scheme when certain qualifying employees become redundant, disabled or when an employee retires at the age of 60. The liability created in terms of IAS 19 amounts to N\$ 15 million. The effective date of valuation of the liability is 31 March 2023 and the next date of valuation is 31 March 2024.

The valuation complies with the provision of the Generally Recognised Accounting Practice (GRAP25), the International Financial Reporting Standards (IAS 19) and the Advisory Practice Note (APN301) issued by the Actuarial Society of South Africa.

The post-retirement benefit was calculated based on the estimates as per the actuarial valuation.

Carrying value

Present value of the defined benefit obligation-wholly unfunded	17,780,000	11,494,000
Current service cost	1,680,000	1,680,000
Interest cost	2,107,000	2,107,000
Subsidies paid	(152,000)	(138,000)
Remeasurements on net defined benefit liability	<u>(6,349,000)</u>	<u>2,637,000</u>
	<u>15,066,000</u>	<u>17,780,000</u>

## Notes to the Annual Financial Statements

Figures in Namibian Dollar 2023 2022

### 11. Retirement benefits (continued)

#### Movements for the year

Opening balance	17,780,000	11,494,000
Remeasurements on net defined benefit liability	(6,349,000)	2,637,000
Net expense recognised in profit or loss	3,635,000	3,649,000
	<b>15,066,000</b>	<b>17,780,000</b>

#### Net expense recognised in profit or loss

Current service cost	1,680,000	1,680,000
Interest cost	2,107,000	2,107,000
Subsidies paid	(152,000)	(138,000)
	<b>3,635,000</b>	<b>3,649,000</b>

#### Key assumptions used

Assumptions used on last valuation on.

Discount rates used	13.45 %	11.85 %
Expected rate of return on assets	8.30 %	7.33 %
Expected rate of return on reimbursement rights	9.80 %	9.13 %
Expected increase in salaries	3.33 %	2.50 %
Other assumptions		
Expected average retirement age (years)	60	60
Normal retirement age (years)	60	60

### 12. Provisions

#### Reconciliation of provisions - 2023

	Opening balance	Movements	Total
13th Cheque	407,170	(20,306)	386,864
Leave	4,781,644	(660,225)	4,121,419
	<b>5,188,814</b>	<b>(680,531)</b>	<b>4,508,283</b>

#### Reconciliation of provisions - 2022

	Opening balance	Movements	Total
13th Cheque	451,202	(44,032)	407,170
Leave	5,100,464	(318,820)	4,781,644
	<b>5,551,666</b>	<b>(362,852)</b>	<b>5,188,814</b>

#### 13th Cheque Provision

Provision for the 13th cheque was calculated at 33.33% of the total 13th cheque paid out in December 2022 for staff members who structured their packages to include a 13th cheque. The bonus liability is anticipated to be paid within the next twelve months. There are no uncertainties envisaged.

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

**Figures in Namibian Dollar** **Note(s)** **2023** **2022**

### 12. Provisions (continued)

#### Leave Provision

Leave is only paid out when an employee resigns. Leave pay is based on the leave days accumulated to a maximum of twenty five working days (25) for management and twenty working days (20) for staff. An employee's leave days is only limited to 25 or 20 working days.

### 13. Revenue

Disaggregation of revenue from contracts with customers

The NSI derives its revenue from contracts with customers for rendering various services as per below.

#### Rendering of services

Levies	9,494,720	9,492,998
Metrology services	19,040,368	16,839,521
Testing	10,709,281	9,742,502
Sale of standards	83,128	165,682
Certification services	1,134,154	679,770
Inspection	8,520,361	8,590,186
HACCP audits	1,099,162	1,087,539
	<b>50,081,174</b>	<b>46,598,198</b>

Disaggregation of revenue is from services transferred to customers at a point in time.

### 14. Other operating income and government grants

Other operating income	5,656,548	5,129,081
Government grants*	33,675,760	18,000,000
	<b>39,332,308</b>	<b>23,129,081</b>

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the NSI with no future related costs is recognised as income of the period in which it becomes receivable.

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that imposed specified future performance conditions are recognised in income only when the performance conditions are met.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants are initially recognized as deferred income and are recognized to income at the same time that depreciation is recognized.

Grants are measured at the fair value of the asset received or receivable. Grants related to income are presented as a credit in the income statement.

### 15. Other operating gains

Gains on disposals, scrappings and settlements

Property, plant and equipment	3	37,872	17,192
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## Notes to the Annual Financial Statements

Figures in Namibian Dollar	Note(s)	2023	2022
<b>15. Other operating gains (continued)</b>			
Foreign exchange (losses) / gains			
Net foreign exchange (losses) / gains		(212,578)	59,463
Total other operating (losses) / gains		(174,706)	76,655
<b>16. Operating profit / (loss)</b>			
Operating profit / (loss) for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		353,098	324,776
Remuneration, other than to employees			
Consulting and professional services		458,926	363,179
<b>Employee costs</b>			
Salaries, wages, bonuses and other benefits		49,650,773	52,099,681
Other short-term costs		(152,000)	-
Retirement benefit plans: defined contribution expense		1,680,000	1,680,000
<b>Total employee costs</b>		<b>51,178,773</b>	<b>53,779,681</b>
<b>Leases</b>			
Leases of low value assets		1,441,082	1,854,216
<b>Total lease expenses</b>		<b>1,441,082</b>	<b>1,854,216</b>
Depreciation and amortisation			
Depreciation of property, plant and equipment and right-of-use asset		4,663,971	4,622,639
<b>Expenses by nature</b>			
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:			
Employee costs		51,178,773	53,779,681
Lease expenses		1,441,082	1,854,216
Depreciation		4,663,971	4,622,639
Other expenses		8,500,805	6,820,746
Computer expenses		2,774,680	1,243,080
Cost of consumables recognised as an expense		2,427,467	1,948,532
Micro biology services		2,415,397	2,994,821
Movement in credit allowances		1,626,486	736,764
Municipal expenses		1,910,222	2,686,413
Repairs and maintenance		1,712,653	1,216,828
Subscriptions		1,759,063	1,119,710
Telephone and fax		1,099,715	1,012,966
		<b>81,510,314</b>	<b>80,036,396</b>

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

**Figures in Namibian Dollar** **Note(s)** **2023** **2022**

### 17. Investment income

Interest income			
Investments in financial assets:			
Bank		-	116,812
Overdue accounts		1,033,477	436,317
<b>Total interest income</b>		<b>1,033,477</b>	<b>553,129</b>

### 18. Finance costs

Borrowings		1,895,833	1,606,629
Lease liabilities		110,062	192,962
Interest paid - post retirement benefit		2,107,000	2,107,000
<b>Total finance costs</b>		<b>4,112,895</b>	<b>3,906,591</b>

### 19. Taxation

The NSI is exempt from Income tax in terms of section 16 (1) (e) of the Income Tax Act of Namibia, as amended. Therefore, no deferred tax is recognised in the accounting records.

### 20. Cash generated from operations

Profit / (loss) for the year		4,649,044	(13,585,924)
<b>Adjustments for:</b>			
Depreciation		4,663,971	4,622,639
Gains on disposals of assets		(37,872)	(17,192)
Interest income		(1,033,477)	(553,129)
Finance costs		4,112,895	3,906,591
Movements in retirement benefit assets and liabilities		3,635,000	6,286,000
Movements in provisions		(680,531)	(362,852)
Other non-cash items - PPE transfers		834,409	(2,852,914)
<b>Changes in working capital:</b>			
Inventories		(1,713,938)	(427,262)
Trade and other receivables		(5,554,849)	(4,619,704)
Trade and other payables		4,091,671	15,396,340
Deferred income		(4,375,484)	4,109,529
		<b>8,590,839</b>	<b>11,902,122</b>

## Notes to the Annual Financial Statements

Figures in Namibian Dollar Note(s) 2023 2022

### 21. Related parties

#### Relationships

Shareholder	The Government of the Republic of Namibia
NSC members	Eino Mvula Paul Kalenga Matilda Jankie-Shakwa Vincent Nowaseb Lloyd Londt Monica Nehemia Thaddeus Shigwedha

#### Related party transactions

##### Grant

The Government of the Republic of Namibia (Operational grants)	33,675,760	18,000,000
Government grant realised from deferred income	4,375,484	4,334,155
The Government of the Republic of Namibia (Capital grants)	-	7,847,000

Compensation to members and other key management

Short-term employee benefits	5,847,984	6,231,535
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### 22. Financial instruments and risk management

#### Categories of financial instruments

##### Categories of financial assets

##### 2023

	Note(s)	Amortised cost	Total
Trade and other receivables	6	17,401,721	17,401,721
Cash and cash equivalents	7	3,573,754	3,573,754
		<b>20,975,475</b>	<b>20,975,475</b>

The carrying amounts approximate the fair values.

##### 2022

	Note(s)	Amortised cost	Total
Trade and other receivables	6	12,591,542	12,591,542
Cash and cash equivalents	7	245,260	245,260
		<b>12,836,802</b>	<b>12,836,802</b>

The carrying amounts approximate the fair values.

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

### Figures in Namibian Dollar

2023

2022

### 22. Categories of financial liabilities

#### 2023

	Note(s)	Amortised cost	Total
Trade and other payables	10	35,517,078	35,517,078
Borrowings	8	18,202,762	18,202,762
Finance lease obligations	4	440,232	440,232
		<b>54,160,072</b>	<b>54,160,072</b>

The carrying amounts approximate the fair values.

#### 2022

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	10	37,233,702	-	37,233,702
Borrowings	8	19,346,674	-	19,346,674
Finance lease obligations	4	791,378	-	791,378
		<b>57,371,754</b>	<b>-</b>	<b>57,371,754</b>

The carrying amounts approximate the fair values.

#### Capital risk management

The NSI's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the NSI's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The NSI manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, it may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The NSI is not subject to any externally imposed capital requirements.

The capital structure and gearing ratio of the NSI at the reporting date was as follows:

Borrowings	8	18,202,762	19,346,674
Lease liabilities		440,232	791,378
Trade and other payables	10	46,084,050	41,992,379
<b>Total debts</b>		<b>64,727,044</b>	<b>62,130,431</b>
Cash and cash equivalents	7	(3,573,754)	(245,260)
<b>Net debts</b>		<b>61,153,290</b>	<b>61,885,171</b>
Equity		(59,240,337)	(70,238,383)
Gearing ratio (net debt to equity)		(103)%	(88)%

## Notes to the Annual Financial Statements

### Figures in Namibian Dollar

2023

2022

### Financial risk management

#### Overview

The NSI is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

#### Credit risk

Credit risk is the risk of financial loss to the NSI if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The NSI is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The NSI only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by executive management. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the NSI through dealing with well-established financial institutions with high credit ratings.

The nature of the NSI's debtors is that, most of the debtors are to renew their licence after a year. Therefore once the testing has been done and issued an invoice, the debtors will only pay the invoice when their license is due for renewal. From that, we conclude that the debtors that are long outstanding stand a higher chance of being recovered because the debtors will be forced to pay the outstanding amount for them to get a licence renewal.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables.

The maximum exposure to credit risk is presented in the table below:

		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	22,371,264	(3,595,593)	18,775,671	15,189,929	(1,969,107)	13,220,822
Cash and cash equivalents	7	3,573,754	-	3,573,754	245,260	-	245,260
		<b>25,945,018</b>	<b>(3,595,593)</b>	<b>22,349,425</b>	<b>15,435,189</b>	<b>(1,969,107)</b>	<b>13,466,082</b>

#### Liquidity risk

The NSI is exposed to liquidity risk, which is the risk that it will encounter difficulties in meeting its obligations as they become due.

## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibian Dollar

2023

2022

## 22. Financial instruments and risk management (continued)

The NSI manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

## 2023

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
<b>Non-current liabilities</b>							
Borrowings	8	-	5,402,001	8,103,002	18,456,838	31,961,841	17,073,262
<b>Current liabilities</b>							
Trade and other payables	10	35,517,078	-	-	-	35,517,078	35,517,078
Borrowings	8	2,701,001	-	-	-	2,701,001	1,129,500
Lease liabilities		491,767	-	-	-	491,767	440,232
		<b>38,709,846</b>	<b>5,402,001</b>	<b>8,103,002</b>	<b>18,456,838</b>	<b>70,671,687</b>	<b>54,160,072</b>
<b>Current assets</b>							
Trade and other receivables		18,775,671	-	-	-	18,775,671	18,775,671
Cash and cash equivalents		3,573,754	-	-	-	3,573,754	3,573,754
		<b>22,349,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,349,425</b>	<b>22,349,425</b>
		<b>(16,360,421)</b>	<b>(5,402,001)</b>	<b>(8,103,002)</b>	<b>(18,456,838)</b>	<b>(48,322,262)</b>	<b>(31,810,647)</b>

## Notes to the Annual Financial Statements

Figures in Namibian Dollar

2023

2022

### 22. Financial instruments and risk management (continued)

2022

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities							
Borrowings	8	-	5,043,270	6,811,449	17,785,450	29,640,169	18,113,420
Lease liabilities		-	474,351	-	-	474,351	440,232
Current liabilities							
Trade and other payables	10	35,736,246	-	-	-	35,736,246	37,233,701
Borrowings	8	2,873,248	-	-	-	2,873,248	1,233,254
Lease liabilities		412,478	-	-	-	412,478	351,146
		<b>39,021,972</b>	<b>5,517,621</b>	<b>6,811,449</b>	<b>17,785,450</b>	<b>69,136,492</b>	<b>57,371,753</b>
Current assets							
Trade and other receivables		12,591,542	-	-	-	12,591,542	12,591,542
Cash and cash equivalents		245,260	-	-	-	245,260	245,260
		12,836,802	-	-	-	12,836,802	12,836,802
		<b>(26,185,170)</b>	<b>(5,517,621)</b>	<b>(6,811,449)</b>	<b>(17,785,450)</b>	<b>(56,299,690)</b>	<b>(44,534,951)</b>

#### Professional Idemnity

As part of its risk maangeemmnt, the NSI has a professional idemnity cover of N\$ 10 million.

#### Foreign currency risk

The NSI is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

#### Foreign currency sensitivity analysis

A 10% weakening of the Namibian Dollar exchange rate versus the world currencies at 31 March 2023 as broadly anticipated by the market would decrease the NSI's profit by N\$ 21,258 (March 2022: N\$ 5,946). The analysis assumes that all other variables remain consistent.

The NSI does not hedge foreign exchange fluctuations.

**Namibian Standards Institution**

Annual Financial Statements For The Year Ended 31 March 2023

**Notes to the Annual Financial Statements****Interest rate risk**

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

As the NSI has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The NSI's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the NSI to cash flow interest rate risk. Borrowings issued at fixed rates expose it to fair value interest rate risk. During 2023 and 2022, its borrowings at variable rate were denominated in the Namibia Dollar.

The NSI analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, it calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

**Interest rate sensitivity analysis**

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax profit of a 1% shift in interest rates on borrowings would be a maximum increase or decrease of N\$ 39,719 (2022: N\$ 39,066). The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

**23. Going concern**

We draw attention to the fact that at 31 March 2023, the NSI incurred a net profit for the year of N\$ 4,649,044 (2022: N\$ (13,585,924 net loss)) and had accumulated losses of N\$ 59,240,337 (2022: N\$ (70,238,381)) and its total liabilities exceed its assets by N\$ 59,240,337 (2022: N\$ 70,238,381) and its total current liabilities exceed its current assets by N\$ 31,186,194 (2022: N\$ 38,345,674). Furthermore, we draw attention to Note 10 of the annual financial statements which states that NSI has accumulated PAYE debt of N\$ 29,949,277 (2022: N\$ 21,792,794) (excluding interest and penalties) since 2019 due to cashflow constraints.

In view of the above conditions, the board has performed a formal review of the NSI's results and its ability to continue trading as a going concern in the foreseeable future and have concluded that the going concern of NSI is highly dependent on the following factors:

1. Securing future Government funding for the continuation of NSI's operations and settlement of NSI's obligations in the normal course of business.

The Standards Act, No. 18 of 2005 outlines the critical legislated functions of the NSI with respect to the development, promotion and maintenance of Namibian Standards and the rendering of conformity assessment services.

It is the view of the board that since these are legislated functions, there is no intention by Government to cease the operations of the NSI in the near future. The Government of the Republic of Namibia (GRN) is committed to supporting the functions of the NSI and in furtherance to this commitment the Ministry of Industrialization and Trade.

2. Successful implementation of the following action plans:
  - SADC European Union (EU) funded Twinning Project titled "Support to the Namibian Standards Institution" which commenced on 01 February 2022 with the objective of boosting NSI's capacity to carry out its mandate, increasing Namibian participation in International Trade agreement, addressing technical trade barriers and enhancing economic growth;

## Notes to the Annual Financial Statements

Figures in N\$	Note(s)	2023	2022
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### 23. Going concern (continued)

- Negotiations with the Ministry of Mines and Energy for the implementation of the petrochemical laboratory; and
- Adherence to the payment plan as negotiated and agreed with NAMRA on PAYE and VAT debt and the subsequent waiving of the interest and penalties as per the tax incentive program.

The annual financial statements of the NSI have been prepared on the basis of accounting applicable to a going concern.

### 24. Outstanding taxes and contingent liabilities

NSI owes Namibia Revenue Agency (NAMRA) PAYE to the total of N\$ 29,949,277 (2022: N\$ 21,792,794) (excluding interest and penalties) as at 31 March 2023 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N\$ 11,267,453 (2022: N\$ 7,552,293) and penalties of N\$ 30,056,286 (2022: N\$ 23,971,997) as liabilities in its accounting records, as NSI was in negotiations with NAMRA for the 100% waiver of the interest and penalties at 31 March 2023. NSI successfully negotiated for a payment plan with NAMRA on 20 June 2023 to settle the outstanding PAYE debt by making an initial capital debt payment of N\$ 7,403,085.11 (VAT of N\$ 1,728,480.94 and PAYE of N\$ 5,674,604.17) which was paid on 17 May 2023 and 01 June 2023. A further payment of N\$ 3,197,075.34 for PAYE and N\$ 813,633.53 for VAT were made between July and August 2023. The remaining PAYE debt will be paid in installments of N\$ 1,596,369 over 16 months commencing 01 July 2023. The waiver of the interest and penalties will be done by NAMRA after full settlement of the outstanding balance.

NSI has been taken to court by a client, with the client claiming that NSI increased its fees charged to the industry players without informing them. No court proceedings have commenced as yet and NSI's lawyers are busy preparing for the first hearing. The possible outcome of the court is unknown.

### 25. Fair value information

#### Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the NSI can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

#### Levels of fair value measurements

##### Level 1

#### Recurring fair value measurements

Figures in N\$	Note(s)	2023	2022
<b>Assets</b>			
Assets			
Cash and cash equivalents	7	3,573,754	245,260
Trade and other receivables	6	17,401,721	12,591,542
<b>Total other</b>		<b>20,975,475</b>	<b>12,836,802</b>
<b>Liabilities</b>			
Borrowings			
Borrowings	8	18,202,762	19,346,674
Trade and other payables	10	35,517,078	37,233,702
Post-retirement benefit liability	11	15,066,000	17,780,000
<b>Total other</b>		<b>68,785,840</b>	<b>74,360,376</b>
<b>Total</b>		<b>89,761,315</b>	<b>87,197,178</b>

**Namibian Standards Institution**  
Annual Financial Statements For The Year Ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in N\$	Note(s)	2023	2022
<b>25. Fair value information (continued)</b>			
<b>Level 2</b>			
<b>Recurring fair value measurements</b>			
<b>Assets</b>			
<b>Assets</b>			
Trade and other receivables	6	1,373,950	629,280
<b>Liabilities</b>			
Trade and other payables	10	10,566,972	4,758,678
<b>Total</b>		<b>11,940,922</b>	<b>5,387,958</b>

## 26. Events after the reporting period

The NSI successfully negotiated for a payment plan with NAMRA on 20 June 2023 to settle the outstanding PAYE debt by making a total initial capital debt payment of N\$ 7,403,085.11 (VAT of N\$ 1,728,480.94 and PAYE of N\$ 5,674,604.17) which was paid on 17 May 2023 and 01 June 2023. A further payment of N\$ 3,197,075.34 for PAYE and N\$ 813,633.53 for VAT were made between July and August 2023. The remaining PAYE debt will be paid in installments of N\$ 1,596,369 over 16 months commencing 01 July 2023.

To date, the Institution has settled PAYE and VAT liabilities of N\$ 8,871,679.51 and N\$ 2,542,114.47 respectively. Both payments relate to the liability at the end of current financial year.

The members are not aware of any other material event which occurred after the reporting date and up to the date of this report.

## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

## Detailed Statement of Profit or Loss and Other Comprehensive Income

Figures in N\$	Note(s)	2023	2022
Revenue			
Levies		9,494,720	9,492,998
Metrology services		19,040,368	16,839,521
Testing		10,709,281	9,742,502
HACCP Audits		1,099,162	1,087,539
Sales of standards		83,128	165,682
Certification Services		1,134,154	679,770
Inspection		8,520,361	8,590,186
	13	<b>50,081,174</b>	<b>46,598,198</b>
Other operating income			
Transfers from deferred income		4,375,484	4,334,816
Training fees		536,940	219,900
Fuel recovery		571,688	536,896
Other recoveries		2,681	16,835
Sundry income		169,755	20,634
Government grants		33,675,760	18,000,000
	14	<b>39,332,308</b>	<b>23,129,081</b>
Other operating gains / (losses)			
Gains on disposal of assets		37,872	17,192
Foreign exchange (losses) / gains		(212,578)	59,463
	15	<b>(174,706)</b>	<b>76,655</b>
Expenses (Refer to page 41)		<b>(81,510,314)</b>	<b>(80,036,396)</b>
Operating profit / (loss)	16	<b>7,728,462</b>	<b>(10,232,462)</b>
Investment income	17	1,033,477	553,129
Finance costs	18	(4,112,895)	(3,906,591)
Profit / (loss) for the year		<b>4,649,044</b>	<b>(13,585,924)</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited.

## Namibian Standards Institution

Annual Financial Statements For The Year Ended 31 March 2023

## Detailed Statement of Profit or Loss and Other Comprehensive Income

Figures in N\$	Note(s)	2023	2022
Other operating expenses			
Accreditation		(528,825)	(462,516)
Advertising		(492,440)	(485,464)
Auditor's remuneration - external audit	16	(353,098)	(324,776)
Bad debts		(1,626,486)	(736,764)
Bank charges		(107,026)	(119,169)
Certification direct expenses		(211,890)	(308,688)
Cleaning		(526,243)	(440,836)
Computer expenses		(2,774,680)	(1,243,080)
Consulting fees		(458,926)	(363,179)
Consumables		(2,427,467)	(1,948,532)
Depreciation		(4,663,971)	(4,622,639)
Employee costs		(51,178,773)	(53,779,681)
Fines and penalties		(80,229)	(211,181)
Heavy metal		(563,080)	(516,270)
Insurance		(893,489)	(751,041)
Leases of low value assets		(1,441,082)	(1,854,216)
Micro biology services		(2,415,397)	(2,994,821)
Motor vehicle expenses		(542,587)	(301,495)
Municipal expenses		(1,910,222)	(2,686,413)
Office refreshments		(294,931)	(28,906)
Parking fees		-	(65,594)
Postage		(492,226)	(293,419)
Printing and stationery		(552,174)	(650,887)
Promotions		(3,870)	-
Protective clothing		(26,185)	(9,452)
Recruitment and relocation expenses		3,762	(29,405)
Repairs and maintenance		(1,712,653)	(1,216,828)
Safety kits		(9,324)	(15,819)
Security		(361,271)	(405,242)
Standards for resale		-	(63,473)
Subscriptions		(1,759,063)	(1,119,710)
Sundry expenses		(551,855)	(454,016)
Telephone and fax		(1,099,715)	(1,012,966)
Training		(396,834)	(38,905)
Transport and freight		(303,092)	(95,850)
Travel - local		(754,972)	(385,163)
		<b>(81,510,314)</b>	<b>(80,036,396)</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited.









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